2009

ANNUAL REPORT

國浩集團有限公司

Guoco Group Limited

A Member of the Hong Leong Group

(Stock Code: 53)

Contents

*Please visit our website at **http://www.guoco.com** and click into "INVESTOR RELATIONS" and "Annual and Interim Reports" to view the on-line version of this Annual Report.*

Corporate Information

(As at 2 October 2009)

Board of Directors

Executive Directors
Quek Leng Chan, *Executive Chairman*
Kwek Leng Hai, *President and CEO*
Tan Lim Heng
James Eng, Jr.
Ding Wai Chuen

Non-executive Director
Kwek Leng San

Independent Non-executive Directors
Sat Pal Khattar
Volker Stoeckel
Roderic N. A. Sage

Board Audit Committee

Sat Pal Khattar – *Chairman*
Volker Stoeckel
Roderic N. A. Sage

Board Remuneration Committee

Quek Leng Chan – *Chairman*
Volker Stoeckel
Roderic N. A. Sage

Chief Financial Officer

Allan Tsang Cho Tai

Company Secretary

Stella Lo Sze Man

Place of Incorporation

Bermuda

Registered Office

Canon's Court, 22 Victoria Street
Hamilton HM 12, Bermuda

Principal Office

50th Floor, The Center
99 Queen's Road Central
Hong Kong

Telephone : (852) 2283 8833
Fax : (852) 2285 3233
Website : http://www.guoco.com

Branch Share Registrars

Computershare Hong Kong
Investor Services Limited
Shops 1712-16
17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

FINANCIAL CALENDAR

Annual results announcement	28 August 2009
Closure of Register of Members	24 November 2009 to 27 November 2009
Annual General Meeting	27 November 2009
Final dividend of HK$1.50 per share payable on	3 December 2009
Interim results announcement	17 February 2009
Closure of Register of Members	4 March 2009 to 9 March 2009
Interim dividend of HK$0.50 per share paid on	16 March 2009

Corporate
Organisation Chart
(As at 2 October 2009)

Guoco Group Limited(1)

Principal Investment
- 100% **GuocoEquity Assets Limited**

Property Development & Investment
- 65.2% **GuocoLand Limited(2)**
  - 100% GuocoLand (Singapore) Pte. Ltd.
  - 100% GuocoLand (China) Limited
  - 65% GuocoLand (Malaysia) Berhad(3)
  - 100% GuocoLand Vietnam (S) Pte. Ltd.

Hospitality & Leisure Business
- 56.4% **GuocoLeisure Limited(2)**
  - 100% Guoman Hotels Group Limited
  - 100% Clermont Leisure (UK) Limited
  - 100% Molokai Properties Limited
  - 100% Tabua Investments Limited
  - 55.11% Bass Strait Oil & Gas Royalty

Financial Services
- 25.4% **Hong Leong Financial Group Berhad(3)**
  - 64.3% Hong Leong Bank Berhad(3)
    - 100% Hong Leong Islamic Bank Berhad
  - 100% Hong Leong Assurance Berhad
  - 100% HLA Holdings Sdn Bhd
    - 65% Hong Leong Tokio Marine Takaful Berhad
    - 100% Hong Leong Insurance (Asia) Limited
  - 75% HLG Capital Berhad(3)
- 100% GuocoCapital Limited

(1) Listed in Hong Kong
(2) Listed in Singapore
(3) Listed in Malaysia

Websites:
– Guoco Group Limited (http://www.guoco.com)
– GuocoLand Limited (http://www.guocoland.com.sg)
– GuocoLand (Malaysia) Berhad (http://www.guocoland.com.my)
– GuocoLeisure Limited (http://www.guocoleisure.com)
– Guoman Hotels Group Limited (http://www.guoman.com) (http://www.thistle.com)
– Clermont Leisure (UK) Limited (http://www.clermontleisure.com)
– Tabua Investments Limited (http://www.denarau.com)
– Hong Leong Financial Group Berhad (http://www.hlfg.com.my)
– Hong Leong Bank Berhad (http://www.hlb.com.my)
– Hong Leong Islamic Bank Berhad (http://www.hlisb.com.my)
– Hong Leong Assurance Berhad (http://www.hla.com.my)
– Hong Leong Tokio Marine Takaful Berhad (http://www.hltmt.com.my)
– Hong Leong Insurance (Asia) Limited (http://www.hl-insurance.com)
– HLG Capital Berhad (http://www.hlgcap.com.my)
– GuocoCapital Limited (http://www.guococap.com)

Corporate **Profile**

Principal Investment

Our Principal Investment business, leveraging on years of experience and success as an investor, has been built up into a core business of the Group with a team of well-trained and experienced investment professionals covering equity and direct investments as well as treasury operations. Ongoing resources are allocated to enhance our investment infrastructure. This includes synergistic analytical tools, risk management system, as well as management information system to facilitate the growth of our Principal Investment activities.

Our portfolio and strategic investments cover global capital markets, and we invest in business and industries where our management knowledge and competencies can enhance creation of capital value in line with Guoco's vision to achieve superior long-term sustainable returns for shareholders.

Our treasury division focuses on global economic conditions, forex and interest rate trends and strategic trading ideas. It also manages major financial exposures of the Group and hedging proposals to manage the Group's liquid assets.

Treasury and investment management teams have been organised regionally to harness the group resources under three investment offices, namely Hong Kong, Singapore and Malaysia to enable us to select and validate appropriate investments that meet the Group's target valuation benchmarks and whose potential satisfies its demanding investment criteria.

Property Development and Investment

GuocoLand Limited ("GLL") is the Group's property arm listed in Singapore. This 65% owned subsidiary is a major property development and investment company based in Singapore with operations in the key geographical markets of Singapore, China, Malaysia and Vietnam. To date, GLL has developed and sold 29 residential projects in Singapore, producing more than 8,300 apartments and homes. In China, GLL has established a strong presence and built a solid portfolio of quality assets with a landbank of approximately 2 million square metres in the major cities of Beijing, Shanghai, Nanjing and Tianjin.

In Malaysia, GLL has established an embedded property operation via its Malaysia listed subsidiary, GuocoLand (Malaysia) Berhad, with property development, property investment as well as hotel and resort holdings business. In Vietnam, GLL is developing its first integrated project on a 17.5 hectare site located next to the Vietnam Singapore Industrial Park in Binh Duong Province, one of Vietnam's leading provinces in socio-economic development and per capita income.

Guoco Group Limited ("Guoco") (Stock Code: 53), listed on The Stock Exchange of Hong Kong Limited, is an investment holding and investment management company with the vision of achieving long term sustainable returns for its shareholders and creating prime capital value.

Guoco's operating subsidiary companies and investment activities are principally located in Hong Kong, China, Singapore, Malaysia, Vietnam and the United Kingdom. Guoco has four core businesses, namely Principal Investment; Property Development and Investment; Hospitality and Leisure Business; and Financial Services.

Hospitality and Leisure Business

GuocoLeisure Limited ("GL") is the Group's 56% subsidiary in the Hospitality and Leisure Business. It has a primary listing on the Main Board of Singapore Exchange Securities Trading Limited with secondary listings on the London and New Zealand Exchanges. GL's core operating assets include the Guoman Hotels group ("Guoman") and Clermont Leisure (UK) Limited ("Clermont Leisure") in the United Kingdom and rights to a royalty stream from the production of oil and gas in the Bass Strait in Australia.

Guoman owns, leases or manages 37 hotels (8,400 rooms) in the United Kingdom under 2 brands, the international deluxe "Guoman" brand which now consists of 4 major Central London landmark hotels with over 2,300 rooms, and the four-star "Thistle" brand in 33 properties with 6,100 rooms in London and the provinces.

Guoman has also begun expanding its hotel management business into Asia. Currently, it manages 2 hotels in Malaysia under the Thistle brand standard.

Clermont Leisure is a licensed casino operator in the United Kingdom. It currently operates the prestigious Clermont Club in Mayfair, London.

The Bass Strait royalty is a stream of royalty receipts derived from the production of oil and gas in the Bass Strait in Australia. This asset continues to produce a steady stream of income and cash for the GL Group and is expected to continue to do so for the foreseeable future.

Financial Services

Hong Leong Financial Group Berhad ("HLFG"), the Group's 25% associated company, is an integrated financial services group listed in Malaysia. HLFG's main subsidiaries comprise Hong Leong Bank Berhad (listed in Malaysia) which has 186 branches in Malaysia with overseas branches in Singapore and Hong Kong, providing comprehensive services in personal financial services, treasury, corporate and commercial banking; Hong Leong Islamic Bank Berhad focusing on Syariah-compliant commercial banking, Islamic wholesale and investment banking as well as Islamic wealth management; Hong Leong Tokio Marine Takaful Berhad focusing on takaful insurance; HLG Capital Berhad (listed in Malaysia) engaging in investment banking, stockbroking, futures broking, asset management and unit trust and Hong Leong Assurance Berhad providing both life and general insurance services in Malaysia and in Hong Kong through its fellow subsidiary, Hong Leong Insurance (Asia) Limited.

Currently, the HLFG Group employs over 6,000 employees to deliver quality and competitive financial products and services to customers in Malaysia, Singapore and Hong Kong.

The Group also operates stock and futures broking and corporate advisory business in Hong Kong through its wholly-owned subsidiaries, GuocoCapital Limited (formerly known as Dao Heng Securities Limited) and GuocoCommodities Limited (formerly known as Dao Heng Commodities Limited).

Biographical Details of Directors and Senior Management

Executive Directors

Quek Leng Chan, aged 66, has been the Executive Chairman of Guoco Group Limited ("Guoco") since 1990 and is the Chairman of the Board Remuneration Committee ("BRC") of Guoco. Mr Quek is the Chairman and CEO of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of Guoco. He is a director of HL Holdings Sdn Bhd, Davos Investment Holdings Private Limited and Hong Leong Investment Holdings Pte Ltd, deemed substantial shareholders of Guoco. He holds directorships in Guoco's key listed subsidiaries and associated companies, including as a director of GuocoLand Limited ("GLL"); as the Executive Chairman of GuocoLeisure Limited ("GL") and GuocoLand (Malaysia) Berhad; and as the Chairman of Hong Leong Financial Group Berhad, Hong Leong Bank Berhad ("HLB") and HLG Capital Berhad. He is also the Executive Chairman of other Malaysian listed public companies, namely Hong Leong Industries Berhad ("HLI"), Hume Industries (Malaysia) Berhad and Narra Industries Berhad. Mr Quek qualified as a Barrister-at-Law from Middle Temple, United Kingdom and has extensive business experience in various business sectors, including financial services, manufacturing and real estate. He is a brother of Messrs Kwek Leng Hai and Kwek Leng San.

Kwek Leng Hai, aged 56, is the President, CEO of Guoco and has been an Executive Director of Guoco since 1990. He holds directorships in the Guoco's key subsidiaries and associated companies including GLL, GL, HLB and Bank of Chengdu Co., Ltd. He also serves as the Chairman of Lam Soon (Hong Kong) Limited ("LSHK"), a Hong Kong listed subsidiary of HLCM. He is also a director of HLCM. Mr Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales. He is a brother of Messrs Quek Leng Chan and Kwek Leng San.

Tan Lim Heng, aged 61, joined GuocoCapital Limited (formerly known as Dao Heng Securities Limited) and GuocoCommodities Limited (formerly known as Dao Heng Commodities Limited), wholly owned subsidiaries of Guoco, as the Managing Director in 1990, and has been an Executive Director of Guoco since 1996. He also serves as a non-executive director of LSHK. Mr Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology. He had also previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. Prior to joining Guoco, he had served in the Singapore Civil Service as a Colombo Plan Scholar 1975-1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. Mr Tan has extensive experience in property investment, financial and investment management services.

James Eng, Jr., aged 67, has been an Executive Director of Guoco since 2001 and is responsible for all Group staff support functions for Guoco. He joined Guoco Management Company Limited, a wholly owned subsidiary of Guoco, in 1994 as an executive director. Prior to joining Guoco, Mr Eng worked with Hiram Walker, a Division of Allied-Lyons. Postings included New York, Miami, London, Hong Kong and Windsor Canada. During his time with Brout, Issacs & Co., Certified Public Accountants in New York City, he was responsible for the Management Services Division and was a Management Consultant in New York for Computer Methods Corporation.

Ding Wai Chuen, aged 49, was re-designated as an Executive Director of Guoco with effect from 1 September 2009. He was previously an Independent Non-executive Director of Guoco. He also serves as a non-executive director of LSHK.

Mr Ding is an associate member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Mr Ding has over 25 years of experience as a professional accountant with international firms of accountants in England and in Hong Kong and with the HKICPA. In 2007, Mr Ding was appointed by the Hong Kong SAR Government as a member of the Financial Reporting Review Panel of the Financial Reporting Council ("FRC").

Since 2002, Mr Ding has been appointed by the PRC Ministry of Finance as a member of the Advisory Group of Foreign Experts for the development of PRC's Independent Auditing Standards. Since the beginning of 2007, he has been involved, as an advisor to the HKICPA, in the joint projects between HKICPA and PRC Ministry of Finance for the comparison of Hong Kong and PRC accounting and auditing standards. Mr Ding is a member of Pan-Pearl River Delta Panel of the Central Policy Unit of the Hong Kong SAR Government. Before taking up the executive director position of Guoco, he was a Partner of Grant Thornton, Certified Public Accountants. Mr Ding is currently a council member of the HKICPA.

Non-executive Director

Kwek Leng San, aged 54, has been a Non-executive Director of Guoco since 1990. He is the President and CEO of HLI, a Malaysia listed subsidiary of HLCM. He is also a director of HLCM. He holds a Bachelor of Science degree in engineering and a Master of Science degree in finance. He is a brother of Messrs Quek Leng Chan and Kwek Leng Hai.

Independent Non-executive Directors

Sat Pal Khattar, aged 66, has been an Independent Non-executive Director of Guoco since 1991 and is the Chairman of the Board Audit Committee ("BAC") of Guoco. He is the Chairman and an independent non-executive director of GLL and GL respectively, subsidiaries of Guoco listed in Singapore. He is also a director of Haw Par Corporation Limited listed in Singapore as well as Gateway Distriparks Ltd and India Infoline Ltd listed in India. Mr Khattar now chairs Khattar Holdings Pte Ltd, an investment group based in Singapore. He obtained a LLM degree and a LLB (Hons) degree from the University of Singapore.

Volker Stoeckel, aged 64, has been an Independent Non-Executive Director of Guoco since 2004 and is a member of the BAC and the BRC of Guoco. Since 2007 he is the Chairman and CEO of Metal Cast Zhong Shan Limited. Until 2006 he was the Chairman and CEO of the German Centre for Industry and Trade in Shanghai. Before that he held various senior banking positions in Asia for over 26 years. Until 2004 he was the Senior Executive Vice President and Chief Executive of Asia Pacific of Bayerische Landesbank, Regional Head Office, in Hong Kong. Mr Stoeckel has wide range experience in capital markets, corporate finance, project finance, treasury and securities business, and property development of commercial and industrial projects in China. He is also a consultant for major companies in Asia for projects in Europe. He graduated from the University of Munich in economics and holds a diploma in banking.

Roderic N. A. Sage, aged 56, was appointed as an Independent Non-executive Director of Guoco with effect from 2 October 2009 and is a member of both the BAC and the BRC. He is the Chief Executive Officer of a specialist tax, corporate services and trust consultancy firm in Hong Kong. Prior to that, Mr Sage had worked with KPMG Hong Kong over 20 years until 2003, as a senior partner and member of the management board of KPMG. He has been granted fellow status with the Institute of Chartered Accountants in England and Wales and with the Hong Kong Institute of Certified Public Accountants. He is also an associate member of the Institute of Taxation in England. He has over 30 years' experience in accounting, international tax planning and investment structuring enhanced by considerable knowledge of cross-boarder and onshore and offshore transactions and structures.

Mr Sage is a Convenor of the Financial Reporting Review Panel of the FRC. He is an independent non-executive director of Tai Ping Carpets International Limited listed in Hong Kong and the Alpha Tiger Fund listed on London's Alternative Investment Market.

Financial
Highlights

Financial highlights of Guoco Group for the year ended 30 June 2009:

	Year ended 30 June 2009	Year ended 30 June 2008	Increase/ (Decrease)
	HK$'M	HK$'M	
Turnover	**22,071**	21,211	4%
Revenue	**8,897**	8,574	4%
Profit from operations before finance cost	**868**	2,106	(59%)
Profit attributable to shareholders of the Company	**476**	1,468	(68%)
	HK$	HK$	
Earnings per share	**1.46**	4.52	(68%)
Dividend per share:			
Interim	**0.50**	1.00	
Proposed final	**1.50**	3.00	
Total	**2.00**	4.00	(50%)
Equity per share attributable to shareholders of the Company	**120.63**	125.17	(4%)

	As at 30 June 2009	As at 30 June 2008	Increase/ (Decrease)
	HK$'M	HK$'M	
Equity attributable to shareholders of the Company	**39,692**	41,186	(4%)
Total assets	**73,864**	80,026	(8%)
Total liabilities	**26,095**	29,378	(11%)

Ten Year Summary

US$'000

Years	Total assets	Total liabilities	Equity attributable to shareholders of the Company	Profit for the year attributable to shareholders of the Company	Dividend per share
2000	20,299,446	18,014,260	1,489,778	88,341	0.09
2001	5,937,223	1,571,996	4,116,828	2,726,259	0.10
2002	4,713,770	927,884	3,577,730	202,656	0.14
2003	4,620,094	703,573	3,702,501	157,193	0.14
2004	4,858,457	680,891	3,933,605	312,805	0.38
2005	5,191,012	655,282	4,196,126	415,476	0.49
2006	7,470,726	1,750,335	4,754,347	725,876	0.64
2007	8,863,439	2,677,829	5,186,062	546,371	0.55
2008	10,261,067	3,766,946	5,280,935	188,191	0.51
2009	**9,530,768**	**3,367,014**	**5,121,487**	**61,364**	**0.26**

HK$'000

Years	Total assets	Total liabilities	Equity attributable to shareholders of the Company	Profit for the year attributable to shareholders of the Company	Dividend per share
2000	158,244,331	140,430,165	11,613,563	688,662	0.70
2001	46,308,855	12,261,175	32,110,229	21,264,139	0.80
2002	36,766,935	7,237,402	27,905,937	1,580,695	1.10
2003	36,027,500	5,486,464	28,872,108	1,225,789	1.10
2004	37,895,963	5,310,949	30,682,119	2,439,881	3.00
2005	40,344,545	5,092,852	32,612,290	3,229,080	3.80
2006	58,011,681	13,591,701	36,918,455	5,636,572	5.00
2007	69,283,288	20,931,920	40,538,151	4,270,845	4.30
2008	80,025,549	29,378,224	41,185,748	1,467,690	4.00
2009	**73,864,407**	**26,094,697**	**39,692,037**	**475,577**	**2.00**

Notes:
(a) The figures for 2000 were before transfer to general reserve by banking subsidiaries.
(b) The figures for 2000, 2003 and 2005 were restated due to change in accounting policies.
(c) The figures for 2001 to 2009 were after the disposal of the banking subsidiaries.

Chairman's
Statement

"We see opportunities in the new environment. We intend to deploy more funds into markets over time to take advantage of the eventual recovery in asset value, and consolidate and further build-up our core businesses with an eye towards the next up cycle."

I am pleased to present this annual report for our financial year ended 30 June 2009. During the year, the world went through a harrowing period with very real threats of systemic failures in the global financial system not seen since the Great Depression of the 1930s. We saw near panic situations in October 2008 averted only by quick and massive financial intervention and support from the U.S. government. This was followed by other major European and Asian countries working swiftly in tandem in their respective jurisdictions to provide liquidity and confidence and trust in the banking systems. An uneasy stability was restored towards year end 2008 coinciding with the election of a new President in America. Nonetheless, except for China, India and a small number of other countries, the rest of the world was in recession.

As we had been relatively cautious prior to October 2008 we were less affected by the ensuing financial turmoil. In fact, we were able to do better in the second half in our Principal Investment business and were able to ensure profitability for the year.

Our other core businesses, i.e. Property Development and Investment, Hospitality and Leisure, and Financial Services, also faced the difficult times and took the opportunity to strengthen their financial positions while focusing on managing costs and improving operation efficiency. This will allow the Group to deliver sustainable long-term growth upon recovery of the wider economies.

FINANCIAL RESULTS

The consolidated profit attributable to shareholders, after taxation and minority interests for the year was HK$476 million, representing a decrease of 68% compared to the result of the previous year. Earnings per share were HK$1.46.

The directors will be recommending a final dividend of HK$1.50 per share at the forthcoming Annual General Meeting. Together with the interim dividend of HK$0.50 per share already paid, the total dividend for the year would be HK$2.00 per share. This reflects our commitment to maintain a balanced distribution to shareholders.

CORE BUSINESSES

Principal Investment

The global recession since the second quarter of our financial year presented an extremely challenging business environment. The credit crisis, coupled with tumbling stock prices trapped the world into a debilitating spiral wiping out substantial market capitalisation and accelerating business contraction. Unemployment in major economies approached double digits causing grave concerns. Following massive stimulus and liquidity injections by global authorities, equity markets produced a quick turn around in the last quarter of the financial year. On the back of strong equity market performance, we crystallised certain non-strategic equity positions to lock in positive returns. Our balanced approach in managing our portfolio investment proved to be effective in turning around the interim negative return to positive results for the full year. However, owing to the very nature of our Principal Investment business, the results are very much subject to fair value movements and thus will continue to be volatile.

We continue our strategy to identify and accumulate longer-term strategic positions in under-valued counters that have strong fundamentals backing and thereby a better likelihood of rebound when markets recover. The fall in prices, in some cases drastic, offered us opportunities in accumulating positions at attractive value. We believe their intrinsic worth will over time deliver substantial gains.

Our treasury team continued to monitor foreign exchange markets closely and manage the Group's foreign currency exposure. We adopted a balanced diversification policy in managing our multicurrency deposits. The strong USD versus other currencies during the year has resulted in unrealised losses which however have subsequently shown signs of improvement.

Property Development and Investment – GuocoLand Limited ("GLL")

GLL has built up a quality land bank at reasonable price levels across select growth markets in Singapore, China, Malaysia and Vietnam where GLL has operations. Even though each of these economies was hit by the financial turmoil in different degrees thereby affecting GLL's performance for the year, outlook in these core markets remains positive.

Despite slowing down in business in the second and third quarters of the financial year, GLL concentrated on cost containment and enhanced its management and operational teams. These actions have improved efficiency and productivity while continuing to strengthen its financial position by balancing further land bank acquisitions and development against inventory sale.

GLL should see a better year this year. It has a pipeline of projects which it can launch and capitalise on new residential sales. Integrated mixed developments, namely Guoson Centre • Dongzhimen in Beijing, Guoson Centre • Changfeng in Shanghai, Damansara City in Kuala Lumpur and The Canary in Ho Chi Minh City, and the award winning residential projects, Goodwood Residence and Sophia Residence in Singapore, will reinforce GLL's position to become a major and recognised property group in these markets.

GLL will continue to focus on its core property development business and build up its investment properties portfolio in the markets in which it operates. It will take on management of its completed commercial properties in China and Malaysia to create a base of recurring income. This will ensure resilience and flexibility for GLL to take advantage of expansion opportunities that may arise from the current turmoil.

Hospitality and Leisure Business – GuocoLeisure Limited ("GL")

UK experienced significant economic downturn particularly in the first and second quarters of the financial year which impacted room rates and occupancy adversely. GL saw drops in both revenue and profitability in its hotel operations. However, progress was made in various revenue enhancement and cost reduction initiatives undertaken by various business units during the year. New brand standards were successfully rolled out as a result of substantial capital investment made. The rebranding has won us a 5-star accreditation for the Hotel Royal Horseguards in London, which will enhance yields from this property.

During the year, GL made inroads into Asia together with GLL by expanding its hotel management business in Thistle brand into two hotels in Malaysia. It is working in collaboration with GLL in China in relation to the hotel components of GLL's development projects under the Guoman and Thistle brands.

Clermont Leisure (UK) ("CLUK") continued to invest and upgrade its services through facility enhancement and improved customer services while further reducing expenses. Through its concerted effort in attracting new players, CLUK reported an increase in table drop during the year. After re-assessing market dynamics, CLUK withdrew all outstanding licence applications in London and in the provinces.

GL will continue to strengthen its core competencies and sharpen its competitive edge in hotel and gaming operation by pursuing new business strategies to take advantage of business opportunity as and when they arise. GL will remain focused on driving business growth and maximising return for shareholders.

Financial Services – Hong Leong Financial Group Berhad ("HLFG")

Against a challenging environment caused by the global financial crisis which resulted in lower economic growth in Malaysia, I am pleased to report that HLFG registered an improved performance. Its subsidiary, Hong Leong Bank Berhad ("HLB") recorded a profit before taxation of RM1,150.2 million which is the new peak.

HLFG continued to build upon its core businesses both organically and through new initiatives. Following the acquisition of a 20% equity interest in Bank of Chengdu Co., Ltd. ("BOCD") in July 2008, HLB has been working with BOCD to enhance BOCD's operational and business capabilities. A Cooperation Committee was established to bring value-added initiatives to BOCD by sharing HLB's expertise and experience in various banking operations particularly in risk and credit management, personal banking business, treasury functions, staff training and development, a data warehouse and in upgrading of information technology. We see tremendous potential in further synergistic opportunities with BOCD given its fourth largest network in the province and its presence in nine districts in Chengdu, capital of Sichuan province.

HLB achieved another important breakthrough during the year as the first and only Malaysian and South East Asian bank to be granted a licence by the State Bank of Vietnam to operate a wholly-owned full commercial bank there. Hong Leong Bank Vietnam Limited ("HLBV") was incorporated and will allow HLFG to expand into the dynamic Vietnamese economy with a population of over 85 million. HLBV is expected to commence business in October 2009.

HLG Capital added an important new business franchise where its subsidiary, Hong Leong Investment Bank Berhad ("HLIB"), was granted requisite licences by Bank Negara Malaysia and the Securities Commission of Malaysia to become a licensed "investment bank". HLIB is expected to bring more synergistic opportunities within the various businesses of the HLFG Group and the Hong Leong Group with this new franchise.

The new financial year ahead is expected to continue to be challenging due to increased competition following Bank Negara Malaysia's liberalisation policy to open the banking sector to foreign banks. HLFG will continue to build on its strong and reputable image through the introduction of new need-based customer-relevant products. With its commitment to invest in and improve its human resource capabilities, HLFG is well placed to take advantage of new opportunities to increase its market share and strengthen its position as a leading integrated financial services group in Malaysia.

GROUP HUMAN RESOURCES

Building and retaining quality human resources is essential to achieving our vision and therefore continues to be a key item in our business plans. New initiatives such as young executives programme and succession plan have been rolled out to identify young talents within each of the Group's operating companies. This is directed to provide appropriate opportunities to help to realise the true potential of our younger staff, to spot and train talent for future leadership positions.

OUTLOOK

Following the rally in the final quarter of the financial year, near-term market outlook nevertheless is uncertain and is a topic of much debate. The global economy appears no longer in a free fall as was generally perceived earlier. In addition, policy initiatives by government will remain expansionary. Notwithstanding recent rallies, the correction since late 2007 has brought down valuations to more realistic levels. We see opportunities in the new environment. We intend to deploy more funds into markets over time to take advantage of the eventual recovery in asset value, and consolidate and further build-up our core businesses with an eye towards the next up cycle.

APPRECIATION

We have experienced a tumultuous and challenging year. Fortunately, with the wise counsel of the Board and our adherence to prudent financial discipline, we have come through this period more resilient and better prepared for new opportunities.

I would like to thank my fellow directors for their invaluable contributions and guidance to management during the year. On behalf of the Board, I wish to express my appreciation to both the management and staff for their hard work and dedication. To all our shareholders, bankers and customers I thank them for their strong and loyal support.

I am pleased to see that the Company and its staff in Hong Kong have taken an active part to raise funds for the less fortunate. This is especially meaningful in this period of recession when economic hardship is more widely felt. The Company for the second year running was the first runner up in the Top-fund Raiser Award sponsored by The Community Chest in the Hong Kong and Kowloon Walks for the Millions. One of our Board members again won the Top Individual Fund-raiser Award. In recognition of its continuous commitment towards the local community development, the Company has also been presented the Platinum and the prestigious President's Award by The Community Chest for the fourth consecutive year.

Quek Leng Chan
Executive Chairman

28 August 2009

Principal **Investment**

Review
# of Operations

Principal Investment

The year under review witnessed one of the most eventful and volatile periods in recent financial market history. Global economies went through a synchronized downturn on the back of a worldwide credit crunch, which led to instability at some major western financial institutions and a general melt down of values across different asset classes. In response, governments implemented massive stimulus and rescues that were unprecedented both in terms of magnitude and promptness. Global financial system has started to stabilise and asset price has recovered somewhat. From the low base, the rallies in the last three months in equities have resulted in the strongest quarterly gains for more than two decades.

We have exercised a high level of caution in managing our portfolio during this extremely uncertain period. While staying largely in cash, we increased our equity investments by buying into both longer-term strategic positions and other under-valued assets. Our focus remained in Hong Kong given its unique exposure to a resilient Chinese economy and selective counters in developed markets. We continue to look for new investment opportunities.

We remain firmly committed in enhancing and broadening the expertise within our investment team. During the year, we recruited additional senior investment professionals to expand our knowledge and expertise.

Property Development and Investment

Review
of Operations

Property Development and Investment

GuocoLand Limited ("GLL") – 65.2% controlled by Guoco

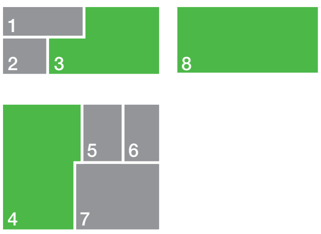
GLL recorded a turnover of S$513.0 million for the financial year ended 30 June 2009, as compared to a turnover of S$670.9 million in the previous year. Operationally, GLL was profitable, with a gross profit of S$113.5 million against S$135.3 million previously. This was primarily from development properties in Singapore, in particular, The Quartz, which GLL successfully relaunched in February 2009. In China, it was mainly from Guoson Centre • Changfeng in Shanghai and West End Point in Beijing.

However, the valuation of GLL's long-term investment property and also its flagship building, Tung Centre, was lowered in line with the market. As a result, GLL posted an overall net loss of S$70.2 million for the period ended 30 June 2009, as compared to a net profit of S$161.8 million in the previous year. This is attributable to a revaluation loss of S$80.9 million mainly of Tung Centre, writedowns in values of S$28.5 million in GuocoLand Malaysia's development projects, and a net foreign exchange loss comprising translation loss on USD bank loans of S$34.3 million.

The contribution of S$7.1 million from associates arose mainly from the recognition of a revaluation gain of RM38.7 million on the investment property portfolio by Tower Real Estate Investment Trust, GLL's 19.97% associate. GLL also recognised provisions for foreseeable losses of S$5.2 million on development properties in Malaysia held by jointly-controlled entities. As a result, the jointly-controlled entities recorded a loss after tax of S$2.7 million.

Income tax expense decreased from S$29.1 million to S$16.4 million mainly due to lower profits from the development projects in China and an overprovision of tax for prior years.

Notwithstanding uncertainties in the global economy and a challenging operating environment for GLL, it appears that the global economy is on the recovery path. This is positive for GLL as property values in Singapore and China have improved.



1. West End Point, Beijing
2. Artist's Impression of Residential Component – The Canary, Vietnam
3. Ascot Park, Nanjing
4. Tung Centre, Singapore
5. Artist's Impression – Damansara City, Malaysia
6. The Canary, Vietnam
7. Artist's Impression – Sophia Residence, Singapore
8. Artist's Impression – Goodwood Residence, Singapore

Singapore

In line with the increased buying activity in 2009, GLL in February 2009 released for sale its remaining units in The Quartz. These were fully sold within three months. In April 2009, this suburban project obtained its Temporary Occupancy Permit ("TOP"). GLL has also been actively marketing the rest of the units in Le Crescendo and have to-date sold almost all of the units. Paterson Residence which is about 95% sold, secured its Certificate of Statutory Completion in April 2009.

In continuing the focus on building and delivering quality homes with outstanding value in line with its commitment as a responsible developer, GLL garnered the Building Construction Authority's prestigious Green Mark Platinum award, the highest accolade for green buildings in Singapore, for Sophia Residence. This is the third Green Mark award received by GLL. Previously, it had won the Green Mark Platinum award for Goodwood Residence in 2007 and the Green Mark Certified award for The Quartz in 2006.

Buying sentiment in Singapore continues to be strong, especially in the mass market and mid-end sectors. In July 2009, GLL launched Sophia Residence, a 272-unit development in prime District 9 located less than a 5 minute stroll from Orchard Road. This highly successful launch recorded strong sales and to-date, about 79% of this award-winning project has been sold. Elliot At The East Coast, a mid-tier freehold residential development is expected to be launched this year. GLL also has plans to launch Goodwood Residence at an appropriate time. Meanwhile, GLL will continue to look towards replenishing its landbank.

China

China's economy grew 9% in 2008, down from 13% in 2007, the slowest in 7 years in the wake of the global recession. Despite the ailing world economy and faltering export demand, China's economy has been fuelled by the RMB4 trillion fiscal stimulus package unveiled in late 2008 to stimulate domestic demand. In recent months, the economy has started to strengthen, with growth underway and possible expansion to about 8% in 2009. In the real estate industry, urban home prices in 70 major Chinese cities rose in June 2009 for the first time in 7 months.

Against the backdrop of a revival in China's property market on the back of a somewhat fragile global recovery, GLL has sold all its 594 units in Phase 1 of Ascot Park, a 1,112-unit residential development located in Qixia District Nanjing. Given such satisfactory take-up rate, GLL has plans to launch Phase 2 soon. A total of 216 units out of the 354 SOHO units in Guoson Centre • Changfeng have also been sold since the development was launched in August 2008.

GLL's efforts to build quality developments in China appear to be paying off. We are excited that the iconic Guoson Centre • Dongzhimen with a gross floor area of about 600,000 square metres achieved the 2007/2008 Beijing Construction Great Wall Cup Golden Medal Award – the highest accolade for excellent construction quality. Also, West End Point located within the West Second Ring Road bagged the Beijing Construction Great Wall Cup Silver Medal Award in 2008. Both awards were conferred by the Beijing Municipal Commission of Housing and Urban-Rural Development.

Construction work of Guoson Centre • Dongzhimen is currently underway. Structural works have been completed for the residential, hotel and retail components and 2 office blocks. The airport terminal and the transportation centre were completed and handed over to the Beijing government in July 2008. Meanwhile, various legal actions by GLL's wholly-owned subsidiary, GuocoLand (China) Limited ("GLC") to defend and protect GLC's effective 90% interest in the project company, Beijing Cheng Jian Dong Hua Real Estate Development Company Limited are before the PRC courts. Further details are set out in note 42 to the Financial Statements in this annual report.

1 2
3 4

1. Sophia Residence, Singapore
2. The View @ Meyer, Singapore
3. Guoson Centre • Beijing • Dongzhimen
4. Guoson Centre • Shanghai • Changfeng

Malaysia

As a result of declining exports and manufacturing, Malaysia's economy shrank by 6.2% in Q1 2009, its first contraction since 2001. It is expected to contract by between 4% and 5% in 2009. To counter slowing growth and lower the impact of a worsening economy, the Malaysian Government in March 2009 unveiled a comprehensive second stimulus package worth RM60 billion to be implemented over 2009 and 2010. In the real estate industry, the stimulus is in the form of tax reliefs to help reduce the costs of home-ownership and spur buying. In this regard, recent indications suggest that property prices may have stabilised.

GLL's presence in Malaysia is via its 64.98% listed subsidiary, GuocoLand (Malaysia) Berhad ("GLM"). GLM undertakes property development activities and has various residential and commercial projects under development. It also has a portfolio comprising prime offices in premier locations in Kuala Lumpur, and a large landbank for commercial and residential development in various locations. These include the 140-unit OVAL Kuala Lumpur in Kuala Lumpur City Centre which obtained its TOP earlier this year, as well as Damansara City in the prime area of Damansara in Kuala Lumpur. As an integrated development, Damansara City will have a gross floor area of about 203,000 square metres, encompassing a lifestyle retail mall, office towers, luxury homes and a boutique hotel.

GLM also owns 19.97% in its listed associate, Tower Real Estate Investment Trust ("Tower REIT"), an investment portfolio of three prime commercial office buildings namely Menara HLA, HP Towers and Menara ING with a total net lettable area of approximately 898,000 square feet in strategic locations in Kuala Lumpur. In December 2008, Tower REIT recognised a revaluation gain of RM38.7 million on its investment properties.

1. The Cirrus, Malaysia
2. OVAL Kuala Lumpur, Malaysia
3. Artist's Impression – The Canary, Vietnam

Vietnam

In 2008, Vietnam's economy expanded by 6.2%, the slowest in 9 years. Yet despite the global economic slump, Vietnam recorded economic growth of 3.9% in the first half of 2009. With a strong domestic economy, supported by capital inflows from overseas remittances and an emerging affluent, young and educated population, the country's growth is expected to expand by about 5.5% in 2009.

GLL's maiden project, The Canary, an integrated development with gross floor area of about 285,000 square metres being developed on a 17.5 hectare site located next to the Vietnam Singapore Industrial Park in Binh Duong Province near Ho Chi Minh City, has been well received. Of the 237 residential units offered for sale, 97% were taken up. GLL intends to launch Phase 2 soon.

Property market sentiment in Vietnam has improved, especially in the mass market segment, as the economy is showing signs of stabilisation in response to the economic stimulus plans implemented by the government. GLL will seek to look at more developments in Vietnam.

Hospitality and **Leisure Business**

Review of Operations

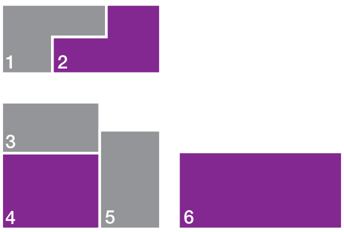
Hospitality and Leisure Business

GuocoLeisure Limited ("GL") – 56.1% controlled by Guoco

GL's net profit after tax rose 18.9% to US$67.4 million for the year ended 30 June 2009, from US$56.7 million in the previous financial year due mainly to a write-back of deferred tax liability, profit contribution from the gaming business and a reduction in corporate expenses. This was, however, partly offset by a decrease in profit contribution from the hotel business, a reduction in other income and translation loss owing to depreciation of GBP and AUD against USD. Excluding non-recurring items, currency translation loss of US$9.5 million and a one-off reversal of deferred tax liability, GL's net profit after tax from recurring operations fell by 18.3% to US$42.6 million as compared to US$52.1 million in the previous financial year reflecting largely the impact of the global economic downturn.

For the year ended 30 June 2009, revenue decreased by 33.8% to US$350.6 million, from US$529.3 million in the previous financial year. This was principally due to lower revenue from the hotel business segment that was adversely affected by economic recession in the UK and a sharp reduction in property sale following the decision to exit property development business in the previous financial year. However, revenue from the gaming business segment was higher owing to higher average win margin and table drops.

Royalty income from the oil and gas production in Australia decreased by 11.7% to US$39.2 million from US$44.4 million in the previous financial year. This was due chiefly to unfavourable currency impact associated with depreciation of AUD against USD. Excluding the currency impact, it was 7% higher year-on-year reflecting higher average crude oil & gas prices in the current financial year although there was lower oil and gas production.



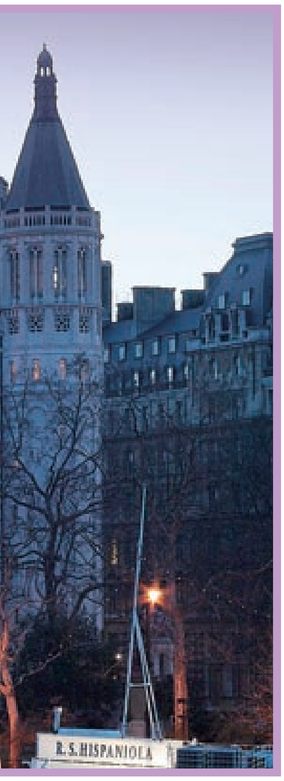
1. The Royal Trafalgar, a Thistle hotel
2. The Strand Restaurant at The Charing Cross, a Guoman hotel
3. The Cumberland, a Guoman hotel
4. The Royal Horseguards, a Guoman hotel
5. The Tower, a Guoman hotel
6. Artist's Impression – The Lobby, Thistle Port Dickson Resort, Malaysia

Other operating income fell by 65.0% to US$9.2 million from US$26.3 million in the previous financial year. This was principally due to lower hotel management fees in the current financial year and a one-off termination fee for early termination of hotel management contracts reported in the previous financial year.

Other operating expenses decreased by 36.3% to US$28.6 million from US$44.9 million in the previous financial year reflecting higher operational efficiency and a reduction in licence application expenses for the gaming business. Net financing costs were lower predominantly attributable to lower outstanding loans and lower lending rates in the current financial year.

1 2 3

1. The Royal Horseguards, a 5-star Guoman hotel in London
2. The Parc Hotel, a Thistle hotel in Wales
3. Guest Room at The Royal Horseguards, London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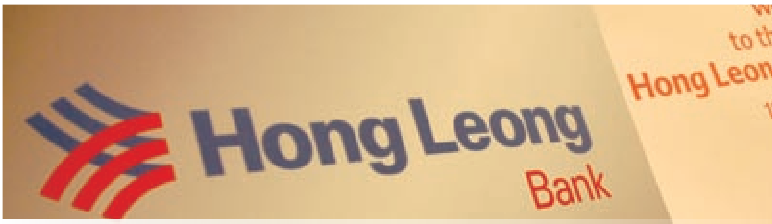

Financial **Services**

Review
of Operations

Financial Services

Hong Leong Financial Group Berhad ("HLFG") – 25.4% owned by Guoco

HLFG recorded a profit before tax of RM1,150.2 million for the financial year ended 30 June 2009 as compared to RM1,120.2 million in the previous financial year, an increase of RM30.0 million or 2.7%. This was mainly due to higher contributions from the commercial banking division.

The commercial banking division recorded a profit before tax of RM1,132.2 million for the financial year ended 30 June 2009 as compared to RM1,010.0 million in the previous financial year, an increase of RM122.2 million or 12.1%. This was mainly due to higher foreign exchange gain coupled with share of profit from the Bank of Chengdu which was effective from 1 July 2008.

The insurance division recorded a profit before tax of RM91.6 million for the financial year ended 30 June 2009 as compared to RM103.8 million in the previous financial year, a decrease of RM12.2 million or 11.8%. The decrease was mainly due to lower net premium coupled with investment losses suffered from lower equity prices.

The investment banking division recorded a loss before tax of RM43.6 million for the financial year ended 30 June 2009 as compared to a profit before tax of RM32.2 million in the previous financial year, a decrease of RM75.8 million. The decrease was mainly due to impairment of goodwill of RM57.2 million coupled with lower brokerage income arising from lower Bursa volumes experienced during the financial year.

GROUP FINANCIAL COMMENTARY

Results

The consolidated profit attributable to shareholders for the year ended 30 June 2009, after taxation and minority interests amounted to HK$476 million, representing a decrease of 68% over that of last year. Earnings per share amounted to HK$1.46.

We continued to generate profit (before finance cost and taxation) totalling HK$2,172 million from the following sources:

– property operations of HK$718 million;

– hospitality and leisure business of HK$347 million;

– contributions from associates and jointly controlled entities of HK$423 million;

– total interest income of HK$548 million; and

– dividend income of HK$136 million.

Despite the financial turmoil, the principal investment business realised gains of HK$1,390 million on trading financial assets for the year ended 30 June 2009. The realised losses on derivative financial instruments mainly for the purpose of acquiring strategic investments and the realised foreign exchange losses on deposits amounted to HK$106 million and HK$700 million respectively. However, the overall performance was affected by the unrealised marked-to-market losses on trading financial assets of HK$746 million, derivative financial instruments of HK$16 million and foreign exchange losses of HK$730 million. As a result, the principal investment business posted an overall loss of HK$623 million after operating expenses for the year, which was still much better than the loss of HK$3,108 million reported for the six-month's period ended 31 December 2008.

Turnover increased by 4% or HK$859 million to HK$22.1 billion. The increase was mainly attributable to the increase in property development sector of 71% or HK$2.2 billion which was offset by decrease in hotel and gaming sector of 27% or HK$1.0 billion and decline in principal investment business of 2% or HK$271 million.

Capital and Finance

– The Group's consolidated total equity (including minority interests) as at 30 June 2009 amounted to HK$47.8 billion, a decrease of 6% comparing to the total equity as at 30 June 2008.

– The Group's consolidated total equity attributable to shareholders of the Company as at 30 June 2009 amounted to HK$39.7 billion, a decrease of HK$1.5 billion comparing to the figure as at 30 June 2008.

Total Cash and Liquid Funds

As at 30 June 2009, the Group has net liquid funds of HK$6.1 billion, comprising total cash balance of HK$22.8 billion and marketable securities of HK$2.8 billion and after netting off the total borrowings of HK$19.5 billion.

The Group's total cash balance and marketable securities are mainly denominated in USD (54%), RM (18%), SGD (10%) and AUD (9%).

Total Borrowings

The decrease in total borrowings from HK$22.2 billion as at 30 June 2008 to HK$19.5 billion as at 30 June 2009 was primarily due to exchange differences and the repayment of project loans by GLL. The Group's total borrowings are mainly denominated in SGD (62%), GBP (19%) and RM (9%).

Total Borrowings (cont'd)

The Group's bank loans and other borrowings are repayable as follows:

	Bank loans HK$'M	Mortgage debenture stock HK$'M	Convertible bonds HK$'M	Other borrowings HK$'M	Total HK$'M
Within 1 year or on demand	3,487	–	1,823	428	5,738
After 1 year but within 2 years	3,384	–	–	188	3,572
After 2 years but within 5 years	5,087	–	1,812	–	6,899
After 5 years	–	3,306	–	–	3,306
	8,471	3,306	1,812	188	13,777
	11,958	3,306	3,635	616	19,515

The bank loans and mortgage debenture stock are secured by the following:

– legal mortgages on investment properties with an aggregate book value of HK$81.4 million;

– legal mortgages on development properties with an aggregate book value of HK$12.8 billion; and

– legal mortgages on property, plant and equipment with an aggregate book value of HK$5.5 billion.

Committed borrowing facilities available to Group companies and not yet drawn as at 30 June 2009 amounted to approximately HK$5.6 billion.

Interest Rate Exposure

The Group's interest rate risk arises from treasury activities and borrowings. The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. The Group uses interest rate swaps to manage its interest rate exposure as appropriate.

As at 30 June 2009, approximately 61% of the Group's borrowings were at floating rates and the remaining 39% were at fixed rates. The Group had interest rate swaps with outstanding notional amount of HK$1.1 billion.

Foreign Currency Exposure

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures or for diversifying its deposits. The Group may also raise foreign currency loans to hedge its foreign currency investments.

As at 30 June 2009, there were outstanding foreign exchange contracts amounting to HK$1.5 billion for hedging of foreign currency share investments and bank borrowings.

Equity Price Exposure

The Group maintains a diversified investment portfolio which comprises listed and unlisted equities. Investments are classified as "trading" or "strategic". Equity investments are subject to asset allocation limits.

The Group has entered into forward agreements to purchase certain listed equity investments at a fixed price. According to these agreements, the purchase commitments of the Group will be terminated when the market price rises to a pre-determined level. Such equities are principally for strategic purpose and held as available-for-sale financial assets. As at 30 June 2009, the outstanding notional amount of these forward equity purchase contracts was HK$235 million.

Contingent Liabilities

Details are encapsulated in note 42 "Contingent Liabilities" to the Financial Statements in this annual report.

HUMAN RESOURCES AND TRAINING

The Group, including its subsidiaries in Hong Kong and overseas, employed approximately 3,000 employees as at 30 June 2009. The Group continued to follow a measured approach towards achieving an optimal and efficient size of its workforce.

The remuneration policy for the Group's employees is reviewed by management on a regular basis. Remuneration packages are structured to take into account the level and composition of pay and general market conditions in the respective countries and businesses in which the Group operates. Bonus and other merit payments are linked to the financial performance of the Group and individual achievement as incentives to optimise performance. Share options may also be granted in accordance with the approved share option schemes or plans adopted by the Company and its subsidiaries to eligible employees to reward their contribution and foster loyalty towards the Group.

"Corporate Governance is the process and structure used to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long term shareholders' value, whilst taking into account the interest of other stakeholders."

The board of directors of the Company (the "Board") has adopted a Code of Corporate Governance Practices (the "CGP Code"), which is based on the principles set out in Appendix 14 (the "HKEx Code") to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). Continuous efforts are made to review and enhance the Group's internal controls and procedures in light of changes in regulations and developments in best practices. To us, maintaining high standards of corporate governance practices is not just complying with the letter of the provisions but also the intent of the regulations to enhance corporate performance and accountability.

The Company has complied throughout the financial year ended 30 June 2009 with the HKEx Code, save that non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meetings pursuant to the Company's Bye-Laws and the CGP Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEx Code.

A. Directors

1. The Board

The Board assumes responsibility for directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles and has established relevant board committees to assist in discharging this responsibility.

The role and responsibilities of the Board broadly cover reviewing and approving corporate mission and broad strategies; overseeing and evaluating the conduct of the Group's businesses; identifying principal risks and ensuring the implementation of appropriate measures and control systems to manage these risks; and reviewing and approving important matters such as financial results, investments and divestments and other material transactions.

The Board has delegated the day-to-day management and operation of the Group's businesses to management of the Company and its subsidiaries.

The Board currently comprises the following members:

Executive Directors
Quek Leng Chan *(Executive Chairman)*
Kwek Leng Hai *(President, CEO)*
Tan Lim Heng
James Eng, Jr.
Ding Wai Chuen (Note)

Non-executive Director
Kwek Leng San

Independent Non-executive Directors
Sat Pal Khattar
Volker Stoeckel
Roderic N. A. Sage

Note: Mr Ding Wai Chuen was an independent non-executive director ("INED") for the year ended 30 June 2009 and up to 31 August 2009 and was re-designated as an executive director of the Company with effect from 1 September 2009. As a result, the number of INED of the Company fell below the minimum requirement under Rule 3.10(1) of the Listing Rules. Following the appointment of Mr Roderic N. A. Sage as an INED of the Company on 2 October 2009, the aforesaid rule has been complied with.

A. Directors (cont'd)

1. The Board (cont'd)

The Company received confirmation of independence from each of the INEDs for the year pursuant to Rule 3.13 of the Listing Rules. The Company considers that Messrs Sat Pal Khattar and Volker Stoeckel continue to be independent up to and as at the date of this report. Mr Ding Wai Chuen was considered to be independent up to 31 August 2009. Mr Roderic N. A. Sage was newly appointed as an INED on 2 October 2009 and is considered to be independent up to and as at the date of this report.

The family relationships among the board members, if any, are disclosed under "Biographical Details of Directors and Senior Management" on pages 6 and 7 of this annual report.

2. Chairman and Chief Executive Officer ("CEO")

The roles of the Chairman and the CEO of the Company are segregated and are not held by the same person. Currently, Mr Quek Leng Chan is the Executive Chairman and Mr Kwek Leng Hai is the President and CEO of the Company.

The primary responsibility of the Executive Chairman is to ensure effective functioning of the Board and, together with the President and CEO, to oversee Board policies.

The CEO's main responsibility is to work with business managers to develop strategic business plans and to set out Key Performance Areas for the business managers as well as to focus on creating value through asset deployment and optimal use of the capital resources available.

3. Non-executive Directors

The non-executive directors are not appointed for a specific term but their terms of office are subject to retirement by rotation and re-election at the annual general meetings in accordance with the Company's Bye-Laws.

4. Nomination of Directors

The Board is responsible for the selection and recommendation of candidates for directorship of the Company. All new nominations received are assessed and approved by the Board in line with its policy of ensuring that the nominees are of high calibre and ample experience.

No new director was appointed during the year.

5. Board Meetings and Access of Information

The Board meets regularly and members of the Board receive information between meetings about developments in the Company's business. During the year, four board meetings were held which were attended by all the directors. Where appropriate, decisions are also taken by way of circulated resolutions.

Board papers are circulated prior to board meetings on a timely manner, which include, among others, financial and corporate information, significant operational and corporate issues, business performance and management proposals.

A. Directors (cont'd)

5. Board Meetings and Access of Information (cont'd)

All directors have access to the advice and services of the company secretary and internal auditors, and upon reasonable request, independent professional advice in appropriate circumstances at the Company's expense, if any.

Every director, including those appointed for a specific term if any, is subject to retirement by rotation at least once every three years.

6. Directors' Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as the code of conduct governing directors' securities transactions.

All directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

B. Directors' Remuneration

1. Board Remuneration Committee ("BRC")

The principal role of the BRC is to make recommendations to the Board on the policy and structure for the remuneration of directors and senior management, as well as to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payment, including any compensation payable for loss or termination of their office or appointment. Detailed terms of reference of the BRC is accessible on the Company's website.

Membership of the BRC

For the year ended 30 June 2009 and up to 31 August 2009, the BRC comprised Messrs Quek Leng Chan (Chairman), Volker Stoeckel and Ding Wai Chuen as members. Mr Volker Stoeckel is an INED of the Company. Mr Ding Wai Chuen, formerly an INED and a BRC member, was re-designated as an executive director of the Company with effect from 1 September 2009 and thus ceased to be a BRC member on even day. Mr Roderic N. A. Sage was appointed as an INED of the Company and a BRC member on 2 October 2009.

Members' participation in meeting

The BRC held two meetings during the year. Messrs Quek Leng Chan, Volker Stoeckel and Ding Wai Chuen attended all the two meetings. Decisions were also taken by way of members' written resolutions.

B. Directors' Remuneration (cont'd)

1. Board Remuneration Committee ("BRC") (cont'd)

Work done during the year

- reviewed its terms of reference and the remuneration policy for directors and senior management;
- recommended to the Board the last year's executive directors' fees for proposing to shareholders for approval;
- approved the discretionary bonuses for executive directors and senior management for the year ended 30 June 2009; and
- reviewed the remuneration packages of the Company's executive directors and senior management for the year 2009.

2. Level and Make-up of Remuneration

The Group's remuneration scheme for executive directors and senior management is linked to performance, service seniority, experience and scope of responsibility and is based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The level of remuneration of non-executive directors reflects the level of their responsibilities undertaken by them.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meetings.

Details of the remuneration of the directors for the year ended 30 June 2009 are provided in note 9 to the Financial Statements in this annual report.

C. Accountability and Audit

1. Board Audit Committee ("BAC")

The BAC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's system of internal control. The BAC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programmes, the results of their examinations as well as their evaluations of the system of internal control. It also reviews directors' interests in contracts and connected transactions. The BAC reviews the Group's and the Company's financial statements and the auditors' report thereon and submits its views to the Board. Detailed terms of reference of the BAC is accessible on the Company's website.

Membership of the BAC

For the year ended 30 June 2009 and up to 31 August 2009, the BAC comprised Messrs Sat Pal Khattar (Chairman), Volker Stoeckel and Ding Wai Chuen. Messrs Sat Pal Khattar and Volker Stoeckel are INEDs of the Company. Mr Ding Wai Chuen, formerly an INED and a BAC member, was re-designated as an executive director of the Company with effect from 1 September 2009 and thus ceased to be a BAC member on even day. As a result, the number of BAC members fell below the minimum requirement under Rule 3.21 of the Listing Rules. Mr Roderic N. A. Sage was appointed as an INED of the Company and a BAC member on 2 October 2009. Following the appointment of Mr Sage, the aforesaid rule has been complied with.

C. Accountability and Audit (cont'd)

1. Board Audit Committee ("BAC") (cont'd)

Members' participation in meeting

The BAC held four meetings during the year. Messrs Sat Pal Khattar, Volker Stoeckel and Ding Wai Chuen attended all the four meetings.

The Chief Executive, Chief Financial Officer and Head of Internal Audit are normal attendees of the BAC meetings. Where appropriate, representatives of the external auditors are invited to attend the BAC meetings to present significant audit and accounting areas which they noted in the course of their audit.

Work done during the year

- reviewed the nature and scope of external audit and approved the external audit fee;
- reviewed the interim financial report, the interim results announcement, the annual accounts and the final results announcement;
- reviewed the financial reporting system and related internal control procedures, including the adequacy of resources, qualifications, experience of staff of the accounting and financial reporting function, and their training programmes and budget;
- reviewed the Group's accounting policies and practices;
- reviewed and approved the annual internal audit plan;
- reviewed major findings of internal audit assignments and the progress of implementation of remedial measures on control issues identified; and
- reviewed connected transactions entered into by the Group subsisting during the year.

2. Financial Reporting

The Listing Rules require listed companies to prepare annual financial statements which shall provide a true and fair view of the state of affairs of the companies and of the results of their operations and cashflows.

The Board is responsible for ensuring the maintenance of proper accounting records of the Group. It has also acknowledged its responsibility for preparing the financial statements.

The Board approves the financial statements after taking into account the BAC's comments on specific accounting matters.

The Board is satisfied that appropriate accounting policies have been used in preparing the financial statements, consistently applied and complied with the relevant accounting standards.

A statement of the auditors about their reporting responsibilities is included in the Report of the Auditors on page 63 of this annual report.

C. Accountability and Audit (cont'd)

3. Internal Controls

The Board, recognising its responsibilities to ensure sound internal controls, has put in place a risk management framework for the Group to:

- identify significant risks faced by the Group in the operating environment as well as evaluate the impact of such risks identified;
- develop necessary measures for managing these risks; and
- monitor and review the effectiveness and adequacy of such measures.

The Board has entrusted the BAC with the responsibility of overseeing the implementation of the Group's risk management framework. In discharging this responsibility, the BAC, assisted by the Group Internal Audit Department and the audit committees of other listed subsidiary groups:

- ensures that new and emerging risks relevant to the Group are promptly identified by management;
- assesses the adequacy of action plans and control systems developed to manage these risks; and
- monitors the implementation of the action plans and the effectiveness and adequacy of the control systems.

These on-going processes are in place, and reviewed periodically by the BAC.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

The Board, through the BAC, has conducted an annual review on the Group's system of internal control and considers that it is adequate and effective. The Board is satisfied that the Group has fully complied with the provisions on internal controls as set out in the CGP Code.

4. Auditors' Remuneration

The fees charged by the Group's external auditors for the year in respect of annual audit services amounted to HK$11,199,000 and those in respect of non-audit services amounted to HK$1,031,000 (including HK$39,000 for taxation services).

D. Investor Relations

1. Communication with Investors

The Company encourages two-way communication with both its institutional and private investors. Extensive information about the Company's activities is provided in the interim and annual reports which are distributed to shareholders.

Regular dialogues are maintained with institutional investors. Enquiries from individuals on matters relating to their shareholdings and the business of the Company are welcome and are dealt with in an informative and timely manner. The enquiries can be directed to the Group Company Secretary via email at the designated mail box – comsec@guoco.com or directly by questions at general meetings of the Company.

In order to promote effective communication, the Company maintains a website at www.guoco.com to provide:

- latest news, announcements, financials including interim and annual reports;
- other corporate communication materials, e.g. notices of meetings, circulars, proxy forms, etc.;
- corporate calendar for important shareholders' dates for current financial year;
- online registration of email alert service for receiving the Company's latest corporate communications; and
- other information relating to the Group and its businesses to the public.

2. Annual General Meeting ("AGM")

The AGM provides an opportunity for the shareholders to seek clarification and to obtain a better understanding of the Group's performance. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions.

2 October 2009

Financial

Section Contents

The directors of the Company present their report together with the audited financial statements of the Group for the year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and investment management. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, hospitality and leisure business, stock and commodity broking and investment advisory. The principal activities of the associates which materially affected the results of the Group during the year include banking and financing, insurance, fund management, stockbroking and merchant banking as well as property development.

The analysis of the principal activities and locations of operations of the Company and its subsidiaries during the year is set out in Note 17 on the financial statements.

SUBSIDIARIES

Particulars of the principal subsidiaries of the Company are set out in Note 17 on the financial statements.

FINANCIAL STATEMENTS

The consolidated net profit of the Group for the year ended 30 June 2009 and the state of the Company's and the Group's affairs as at that date are set out in the financial statements on pages 64 to 151.

DIVIDENDS

An interim dividend of HK$0.50 per share (2008: HK$1.00) totalling HK$164,526,000 (2008: HK$329,051,000) was paid on 16 March 2009. The directors are recommending payment of a final dividend of HK$1.50 per share (2008: HK$3.00) in respect of the year ended 30 June 2009 totalling HK$493,577,000 (2008: HK$987,154,000).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 24 November 2009 to 27 November 2009, both days inclusive, during which period no share transfers will be registered.

To qualify for the final dividend and for attending and voting at the forthcoming annual general meeting of the Company to be held on 27 November 2009, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Branch Share Registrars in Hong Kong not later than 4:30 p.m. on 23 November 2009.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for less than 30% of the total turnover of the Group. The information in respect of the Group's purchases attributable to the major suppliers during the year is as follows:

	Percentage of the Group's total purchases
The largest supplier	15.0%
Five largest suppliers in aggregate	46.1%

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major suppliers.

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to US$523,000 (2008: US$467,000).

SHARE CAPITAL, CONVERTIBLE SECURITIES AND WARRANTS

The Company

The Company did not issue any new shares during the year. Details of the share capital of the Company are shown in Note 35 on the financial statements.

GuocoLand Limited ("GLL", 65.2% controlled by the Company)

GLL issued S$690 million in principal amount of convertible bonds (the "Bonds") in May 2007, which are due on 7 May 2012. Details of the Bonds are shown in Note 32 on the financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year, the Company did not redeem any of its listed securities. Neither did the Company nor any of its other subsidiaries purchase or sell any of the Company's listed securities.

TRANSFER TO RESERVES

Profit for the year, before dividend, of US$77.8 million (2008: US$258.9 million) has been transferred to reserves. Movements in the reserves of the Company and the Group during the year are set out in Note 35 on the financial statements.

INTEREST CAPITALISED

Interest capitalised during the year by the Group in respect of development properties amounted to approximately US$49.3 million (2008: approximately US$35.7 million).

FIXED ASSETS

Movements in fixed assets during the year are set out in Note 15 on the financial statements.

PROPERTIES

Particulars of the major development properties, properties held for sale and investment properties of the Group are shown on pages 152 to 156.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-Laws or the laws in Bermuda.

DIRECTORS

The directors during the year and up to the date of this report are:

Quek Leng Chan – *Executive Chairman*
Kwek Leng Hai – *President, CEO*
Sat Pal Khattar**
Kwek Leng San*
Tan Lim Heng
James Eng, Jr.
Volker Stoeckel**
Ding Wai Chuen**

* *Non-executive director*
** *Independent non-executive director*

In accordance with the Company's Bye-Law 99, Messrs Sat Pal Khattar and James Eng, Jr. will retire from office by rotation at the forthcoming annual general meeting. In accordance with Code A.4.2 of the Code of Corporate Goverance Practices of the Company, Mr Quek Leng Chan is willing to be subject to retirement by rotation and will retire from office at the forthcoming annual general meeting. Messrs Quek Leng Chan and Sat Pal Khattar, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Mr James Eng, Jr. has indicated his intention not to offer himself for re-election as he has reached retirement age.

None of the directors has a service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2009, the interests and short positions of the directors of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Company ("Model Code") were disclosed as follows in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). Certain information herein is based on additional information of the relevant events on or before 30 June 2009 with the disclosure deadlines under the SFO falling after 30 June 2009.

(A) The Company

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of the Company**	*Notes*
Quek Leng Chan	1,656,325	244,425,391	246,081,716	74.79%	*1*
Kwek Leng Hai	3,800,775	–	3,800,775	1.16%	
Sat Pal Khattar	–	691,125	691,125	0.21%	*2*
Kwek Leng San	209,120	–	209,120	0.06%	
Tan Lim Heng	566,230	–	566,230	0.17%	
James Eng, Jr.	565,443	–	565,443	0.17%	
Ding Wai Chuen	5,000	–	5,000	0.00%	

* *Ordinary shares unless otherwise specified in the Notes*

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(A) The Company (cont'd)

Notes:

1. The total interests of 246,081,716 shares/underlying shares comprised 240,881,716 ordinary shares of the Company and 5,200,000 underlying shares of unlisted cash settled derivatives.

   The corporate interests of 244,425,391 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/ underlying shares
GuoLine Overseas Limited ("GOL")	235,198,529
GuoLine Capital Limited ("GCL")	5,200,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862

   AFCW was wholly owned by the Company which was in turn 71.48% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). HLCM was 49.11% owned by Mr Quek Leng Chan (2.43%) and HL Holdings Sdn Bhd (46.68%) which was in turn wholly owned by Mr Quek Leng Chan.

2. The corporate interests of 691,125 shares were directly held by Khattar Holdings Pte Ltd which was 0.61% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

(B) Associated Corporations

(a) Hong Leong Company (Malaysia) Berhad ("HLCM")

	Number of *shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HLCM**	
Quek Leng Chan	390,000	7,487,100	7,877,100	49.11%	*Note*
Kwek Leng Hai	420,500	–	420,500	2.62%	
Kwek Leng San	117,500	–	117,500	0.73%	

* *Ordinary shares*

Note:

The corporate interests of 7,487,100 shares were held by HL Holdings Sdn Bhd which was in turn wholly owned by Mr Quek Leng Chan.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

(b) GuocoLand Limited ("GLL")

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of GLL**	*Notes*
Quek Leng Chan	20,062,965	658,725,598	678,788,563	76.48%	*1*
Kwek Leng Hai	26,468,186	–	26,468,186	2.98%	
Sat Pal Khattar	–	13,856,482	13,856,482	1.56%	*2*
Tan Lim Heng	1,333,333	–	1,333,333	0.15%	
Volker Stoeckel	1,096,000	–	1,096,000	0.12%	
James Eng, Jr.	268,000	–	268,000	0.03%	

* *Ordinary shares unless otherwise specified in the Notes*

Notes:

1. The total interests of 678,788,563 shares/underlying shares comprised 599,087,285 ordinary shares of GLL, 58,727,985 underlying shares of other unlisted derivatives and 20,973,293 underlying shares of other listed derivatives.

   The corporate interests of 658,725,598 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/ underlying shares
GuocoLand Assets Pte Ltd ("GAPL")	579,024,320
GuoLine Capital Limited ("GCL")	58,727,985
Hong Leong Bank Berhad ("HLB")	11,621,568
Hong Leong Assurance Berhad ("HLA")	8,770,648
Hong Leong Insurance (Asia) Limited ("HLIA")	581,077

   HLIA was wholly owed by Allstate Health Benefits Sdn Bhd which was in turn wholly owned by HLA.

   HLA and HLB were 100% and 64.27% owned by Hong Leong Financial Group Berhad respectively which was in turn 77.31% owned by Hong Leong Company (Malaysia) Berhad ("HLCM").

   GAPL was wholly owned by the Company. The respective controlling shareholders of the Company, GCL and HLCM, as well as their respective percentage control are shown in the Note under Part (A) above.

2. The corporate interests of 13,856,482 shares were directly held by Khattar Holdings Pte Ltd which was 0.61% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

(c) Hong Leong Financial Group Berhad ("HLFG")

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of HLFG**	
Quek Leng Chan	4,989,600	846,298,600	851,288,200	80.86%	*Note*
Kwek Leng Hai	2,316,800	–	2,316,800	0.22%	
Kwek Leng San	600,000	–	600,000	0.06%	
Tan Lim Heng	245,700	–	245,700	N/A	

* *Ordinary shares unless otherwise specified in the Note*

Note:

The total interests of 851,288,200 shares/underlying shares comprised 824,903,500 ordinary shares of HLFG and 26,384,700 underlying shares of other unlisted derivatives.

The corporate interests of 846,298,600 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/ underlying shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	546,773,354
Hong Leong Share Registration Services Sdn Bhd ("HLSRS")	3,600
GuoLine Capital Limited ("GCL")	26,384,700
Guoco Assets Sdn Bhd ("GASB")	267,079,946
Soft Portfolio Sdn Bhd ("SPSB")	6,057,000

GASB was wholly owned by the Company. HLSRS was wholly owned by HLCM Capital which was in turn 35.21% and 64.79% owned by HLCM and HL Manufacturing Holdings Sdn Bhd ("HLMH") respectively. HLMH was wholly owned by HLCM.

The respective controlling shareholders of the Company, HLCM and GCL as well as their respective percentage control are shown in the Note under Part (A) above.

SPSB was 99% owned by Mr Quek Leng Chan.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

(d) GuocoLand (Malaysia) Berhad ("GLM")

	Number of *shares/underlying shares (Long Position)				
Director	**Personal interests**	**Corporate interests**	**Total interests**	**Approx. % of the issued share capital of GLM**	
Quek Leng Chan	19,506,780	490,198,596	509,705,376	72.77%	*Note*
Kwek Leng Hai	226,800	–	226,800	0.03%	
Sat Pal Khattar	152,700	–	152,700	0.02%	
Tan Lim Heng	326,010	–	326,010	0.05%	

* *Ordinary shares unless otherwise specified in the Note*

Note:

The total interests of 509,705,376 shares/underlying shares comprised 474,705,376 ordinary shares of GLM and 35,000,000 underlying shares of other unlisted derivatives.

The corporate interests of 490,198,596 shares/underlying shares comprised the respective direct interests held by:

	Number of shares/ underlying shares
GLL (Malaysia) Pte Ltd ("GLLM")	455,130,580
GuoLine Capital Limited ("GCL")	35,000,000
HLCM Capital Sdn Bhd ("HLCM Capital")	68,016

GLLM was wholly owned by GuocoLand Limited which was in turn 65.24% owned by GuocoLand Assets Pte Ltd ("GAPL").

The controlling shareholder of GCL and its percentage control are shown in the Note under Part (A) above.

The controlling shareholder of GAPL and its percentage control are shown in the Note under Part (B)(b) above.

The controlling shareholder of HLCM Capital and its percentage control are shown in the Note under Part (B)(c) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

(e) Hong Leong Industries Berhad ("HLI")

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLI	
	Number of *shares (Long Position)				
Kwek Leng Hai	189,812	–	189,812	0.07%	
Sat Pal Khattar	198,580	348,500	547,080	0.20%	*Note*
Kwek Leng San	2,520,000	–	2,520,000	0.92%	

* *Ordinary shares*

Note:

The corporate interests of 348,500 shares were held by J.M. Sassoon & Co. (Pte) Ltd which was in turn wholly owned by Khattar Holdings Pte Ltd ("KHP"). KHP was 0.61% owned by Mr Sat Pal Khattar and was accustomed to act according to his directions.

(f) Hong Leong Bank Berhad ("HLB")

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLB
	Number of *shares (Long Position)			
Kwek Leng Hai	3,955,700	–	3,955,700	0.26%
Sat Pal Khattar	294,000	–	294,000	0.02%
Kwek Leng San	385,000	–	385,000	0.03%

* *Ordinary shares*

(g) HLG Capital Berhad ("HLGC")

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HLGC
	Number of *shares (Long Position)			
Kwek Leng Hai	500,000	–	500,000	0.41%
Kwek Leng San	119,000	–	119,000	0.10%

* *Ordinary shares*

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

(h) Malaysian Pacific Industries Berhad ("MPI")

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of MPI
	Number of *shares (Long Position)			
Sat Pal Khattar	210,000	–	210,000	0.11%
Kwek Leng San	315,000	–	315,000	0.16%

* *Ordinary shares*

(i) Hume Industries (Malaysia) Berhad ("HIMB")

Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of HIMB	
	Number of *shares (Long Position)				
Quek Leng Chan	2,000,000	121,881,628	123,881,628	67.72%	*Note*
Sat Pal Khattar	200,000	–	200,000	0.11%	

* *Ordinary shares*

Note:

The corporate interests of 121,881,628 shares comprised the respective direct interests held by:

	Number of shares
Hong Leong Company (Malaysia) Berhad ("HLCM")	118,693,228
Hong Leong Assurance Berhad ("HLA")	1,154,400
Soft Portfolio Sdn Bhd ("SPSB")	2,034,000

The controlling shareholders of HLCM and their percentage control are shown in the Note under Part (A) above.

The controlling shareholder of HLA and its percentage control are shown in the Note under Part (B)(b) above.

The controlling shareholder of SPSB and its percentage control are shown in the Note under Part (B)(c) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(B) Associated Corporations (cont'd)

(j) *Narra Industries Berhad ("NIB")*

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of NIB	
Quek Leng Chan	8,150,200	38,304,000	46,454,200	74.70%	*Note*

* *Ordinary shares*

Note:

The corporate interests of 38,304,000 shares were directly held by Hume Industries (Malaysia) Berhad which was in turn 65.51% owned by Hong Leong Company (Malaysia) Berhad ("HLCM"). The controlling shareholders of HLCM and their percentage control are shown in the Note under Part (A) above.

(k) *Lam Soon (Hong Kong) Limited ("LSHK")*

	Number of *shares (Long Position)			
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of LSHK
Kwek Leng Hai	2,300,000	–	2,300,000	0.95%
Tan Lim Heng	274,000	–	274,000	0.11%
James Eng, Jr.	619,000	–	619,000	0.25%
Ding Wai Chuen	10,000	–	10,000	0.00%

* *Ordinary shares*

(l) *GuocoLeisure Limited ("GL")*

	Number of *shares (Long Position)				
Director	Personal interests	Corporate interests	Total interests	Approx. % of the issued share capital of GL	
Quek Leng Chan	735,000	767,669,211	768,404,211	56.17%	*Note*
Tan Lim Heng	650,000	–	650,000	0.05%	

* *Ordinary shares*

Note:

The corporate interests of 767,669,211 were directly held by GuocoLeisure Assets Limited which was in turn wholly owned by the Company. The controlling shareholder of the Company and its percentage control are shown in the Note under Part (A) above.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (cont'd)

(C) Others

Associated Corporations in which Mr Quek Leng Chan was deemed to be interested solely through his deemed controlling interest in HLCM and/or its subsidiaries:

Carsem (M) Sdn Bhd
Carter Realty Sdn Bhd
Guangzhou Lam Soon Food Products Limited
Guocera Tile Industries (Labuan) Sdn Bhd
Guocera Tile Industries (Meru) Sdn Bhd
GuocoLand Limited*
HLG Capital Berhad
Hong Leong Bank Berhad
Hong Leong Fund Management Sdn Bhd
Hong Leong Industries Berhad
Hong Leong Tokio Marine Takaful Berhad
Hong Leong Yamaha Motor Sdn Bhd
Kwok Wah Hong Flour Company Limited
Lam Soon (Hong Kong) Limited
Luck Hock Venture Holdings, Inc.
M.C. Packaging Offshore Limited
Malaysian Pacific Industries Berhad
RZA Logistics Sdn Bhd

* *In respect of interests in debentures only*

The Company applied for and the Stock Exchange granted a waiver from full compliance with the disclosure requirements in respect of details of the deemed interests of Mr Quek Leng Chan in the above associated corporations under Rule 13 of Appendix 16 to the Listing Rules.

Certain directors hold qualifying shares in certain subsidiaries in trust for other subsidiaries of the Company.

Save as disclosed above, as at 30 June 2009, none of the directors of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or otherwise notified by the directors of the Company pursuant to the Model Code required to be disclosed in accordance with the Listing Rules.

SHARE OPTIONS

The Company

Share Option Scheme

A share option scheme (the "Share Option Scheme") was adopted by the Company on 29 November 2001 ("Adoption Date") for the purpose of providing the employees or directors of the Company or any of its subsidiaries or associated companies (the "Eligible Employees") the opportunity of participating in the growth and success of the Group through the grant of options over newly issued shares of the Company.

The number of new shares of the Company that may be issued upon exercise of all share options to be granted under the Share Option Scheme shall not in aggregate exceed 10% of the issued share capital of the Company as at the Adoption Date, i.e. 32,408,137 which represents approximately 9.85% of the shares in issue of the Company as at the date of this report. The maximum entitlement for any Eligible Employee in respect of the total number of shares issued and to be issued upon exercise of options granted and to be granted in any 12 months period up to the date of the latest grant shall not exceed 1% of the shares of the Company in issue as at any date of grant.

SHARE OPTIONS (cont'd)

The Company (cont'd)

Share Option Scheme (cont'd)

The option price per share payable upon exercise of any share option will be determined by the directors upon the grant of the share option. It will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days inclusive of, and from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant in respect of such offer.

The life of the Share Option Scheme is 10 years from the Adoption Date. The Share Option Scheme shall remain valid and effective till 28 November 2010.

No option has ever been granted to any Eligible Employee pursuant to the Share Option Scheme up to 30 June 2009.

Share Option Plan

On 16 December 2002 ("SOP Adoption Date"), the Company adopted a share option plan (the "Share Option Plan") for the purpose of motivating the employees and directors of the group companies and the employees of associated companies (the "Participants") and allowing them to participate in the growth of the Company through the grant of options over existing shares of the Company.

Unlike a traditional employee share option scheme, the Share Option Plan does not involve options over newly issued shares of the Company and thereby avoids the uncertainty for the shareholders of potential dilutionary effect on the Company's issued share capital from time to time. A trust (the "Trust") has been set up for the purpose of acquiring existing shares of the Company from time to time to satisfy the exercise of options which may be granted under the Share Option Plan. A wholly-owned subsidiary of the Company as the trustee is responsible for administering the Trust.

The number of existing shares of the Company that may be transferred upon exercise of all share options to be granted under the Share Option Plan shall not in aggregate exceed 10% of the issued share capital of the Company as at the SOP Adoption Date, i.e. 32,496,137 which represents approximately 9.88% of the shares in issue of the Company as at the date of this report. The maximum entitlement for any Participant in respect to the total number of shares transferred and to be transferred upon exercise of options granted and to be granted in any 12 months period up to the date of the latest grant shall not exceed 1% of the shares of the Company in issue as at any date of grant.

The exercise price per share of an option for the purchase of a share shall not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option, which must be a business day; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant of such option.

The life of the Share Option Plan is 10 years from the SOP Adoption Date. The Share Option Plan shall remain valid and effective till 15 December 2012.

No option has ever been granted to any Participant pursuant to the Share Option Plan up to 30 June 2009.

SHARE OPTIONS (cont'd)

GuocoLand Limited ("GLL")

GuocoLand Limited Executives' Share Option Scheme

The GuocoLand Limited Executives' Share Option Scheme (the "GLL ESOS") was approved by the shareholders of GLL on 31 December 1998 and further approved by the shareholders of the Company on 1 February 1999.

In October 2004, the approvals of shareholders of GLL and the Company were sought to effect various amendments to the rules of the GLL ESOS (the "Rules") to, among others, allow grant of options over newly issued and/or existing shares of GLL and to align the Rules with Chapter 17 of the Listing Rules (the "Modified GLL ESOS").

The Modified GLL ESOS provides an opportunity for the employees of GLL or its subsidiaries ("GLL Group") who have contributed to the growth and development of the GLL Group to participate in the equity of GLL.

A committee (the "GLL ESOS Committee") comprising directors of GLL who are presently not participants of the Modified GLL ESOS shall select confirmed employees of the GLL Group and the executive directors of GLL to become participants in the Modified GLL ESOS.

The number of GLL shares over which the GLL ESOS Committee may grant options under the Modified GLL ESOS on any date shall not in aggregate exceed 5% of the issued share capital of GLL on the day preceding that date, provided that the maximum aggregate number of GLL shares over which the GLL ESOS Committee may grant shall not exceed 10% of the issued share capital of GLL as at 29 October 2004 (the effective date of the Modified GLL ESOS).

The maximum entitlement of any participant in respect of the total number of GLL shares to be issued and/or transferred upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GLL in issue as at any date of grant.

The grant of option to a participant shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GLL share shall be the average of the closing prices of GLL shares on Singapore Exchange Securities Trading Limited for each of the last five market days immediately prior to the date of grant of the option. An option shall be exercisable within such period commencing on the date after (a) the second anniversary of the date of grant (for participants who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other participants) and to end on a date not later than 10 years after the date of grant.

As at 1 July 2008, outstanding options comprised 39,837,000 GLL shares. During the year, options comprising 2,845,500 GLL shares were exercised in August 2008 and options comprising 2,276,400 GLL shares lapsed arising from the resignation of a grantee in October 2008.

During the year, no new options were granted. Accordingly, the number of GLL shares comprised in the outstanding options was 34,715,100 as at 30 June 2009.

SHARE OPTIONS (cont'd)

GuocoLand Limited ("GLL") (cont'd)

GuocoLand Limited Executives' Share Option Scheme (cont'd)

Details of the said options are as follows:

	No. of GLL shares comprised in options						
Date of grant	**As at 1 July 2008**	*Notes*	**Exercised/ lapsed during the year**	*Notes*	**As at 30 June 2009**	*Notes*	**Adjusted exercise price per GLL share**
							S$
1 November 2004	8,821,050	*1a*	2,845,500	*1b*	5,975,550	*1a*	1.045
30 May 2005	4,552,800	*2*	–		4,552,800	*2*	1.159
19 January 2007	26,463,150	*3a*	2,276,400	*3b*	24,186,750	*3a*	2.328
Total:	39,837,000				34,715,100		

Notes:

1a. Pursuant to certain financial and performance targets being met by the grantees during the performance period for the financial years 2004/05 to 2006/07, the grantees were notified by the GLL ESOS Committee in August 2007 of the vesting of a total of 14,227,500 GLL shares comprised in the vested options. The grantees were given an exercise period of up to two years from the date of vesting to exercise the vested options in accordance with the terms of their grant. Vested options comprising a total 5,406,450 GLL shares were exercised during the financial year ended 30 June 2008.

1b. The options were exercised in August 2008 as follows:

- options comprising 1,707,300 GLL shares exercised on 7 August 2008;
- options comprising 569,100 GLL shares exercised on 28 August 2008; and
- options comprising 569,100 GLL shares exercised on 29 August 2008,

and the closing market prices per GLL share immediately before the above exercise dates were S$2.17, S$1.94 and S$1.90 respectively.

2. Pursuant to certain financial and performance targets being met by the grantee during the performance period for the financial years 2005/06 to 2006/07, the grantee was notified by the GLL ESOS Committee in August 2007 and November 2007 of the vesting of the remaining 4,552,800 GLL shares in accordance with the terms of the grant.

3a. Subject to certain financial and performance targets being met by the grantees during the performance periods for the financial years 2005/06 to 2007/08 and 2008/09 to 2010/11, the grantees at the end of each performance period may be notified by the GLL ESOS Committee of the vesting of the options and the number of GLL shares comprised in the vested options. Thereafter, the grantees shall have a phased period of between six to thirty months to exercise the vested options in accordance with the terms of the grant.

3b. The options comprising 2,276,400 GLL shares lapsed during the financial year 2008/09.

As the Modified GLL ESOS was due to expire on 30 December 2008, a new GuocoLand Limited Executives' Share Option Scheme 2008 (the "GLL ESOS 2008") was adopted on 21 November 2008 in place of the Modified GLL ESOS which was accordingly terminated. The termination of the Modified GLL ESOS however does not affect options which had been granted thereunder and accepted but which remain unexercised on termination.

SHARE OPTIONS (cont'd)

GuocoLand Limited ("GLL") (cont'd)

GuocoLand Limited Executives' Share Option Scheme 2008

The GLL ESOS 2008 was approved by the shareholders of GLL on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "Effective Date"). Under the GLL ESOS 2008, options may be granted over newly issued and/or existing shares of GLL to eligible participants including employees and executive directors of GLL and its subsidiaries who are not controlling shareholders of GLL.

The GLL ESOS 2008 provides an opportunity for the employees of the GLL Group who have contributed to the growth and development of the GLL Group to participate in the equity of GLL.

The GLL ESOS Committee shall select confirmed employees (including executive directors) of the GLL Group to become participants in the GLL ESOS 2008.

The number of GLL shares over which the GLL ESOS Committee may grant options under the GLL ESOS 2008 on any date shall not in aggregate exceed 15% of the issued share capital of GLL on the day preceding that date, provided that the maximum aggregate number of new GLL shares over which the GLL ESOS Committee may grant options when added to the number of new GLL shares issued and issuable in respect of all options granted under the GLL ESOS 2008, shall not exceed 10% of the issued share capital of GLL as at the Effective Date. As at the date of this report, the total number of new GLL shares available for issue over which options under the GLL ESOS 2008 may be granted is 88,752,995, which represents approximately 10% of the issued share capital of GLL.

The maximum entitlement of any participant in respect of the total number of new GLL shares issued and to be issued upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GLL in issue as at any date of grant.

The grant of option to a participant shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GLL share shall be a price equal to the 5-day weighted average market price of the GLL shares immediately prior to the date of grant of the option. An option shall be exercisable within such period commencing on the date after (a) the second anniversary of the date of grant (for participants who have been employed for less than one year) and (b) the first anniversary of the date of grant (for all other participants) and ending on a date not later than 10 years after the date of grant.

The GLL ESOS 2008 shall continue to be in force at the discretion of the GLL ESOS Committee, subject to a maximum period of 10 years commencing on the Effective Date till 20 November 2018.

No options were granted pursuant to the GLL ESOS 2008 from the Effective Date up to 30 June 2009.

GuocoLeisure Limited ("GL")

The GuocoLeisure Share Option Plan (the "GL Plan")

The GL Plan was approved by the shareholders of GL in 2001 to allow the grant of options over newly issued shares of GL to eligible participants including employees and executive and non-executive directors of GL and its subsidiaries (the "GL Group") who are not controlling shareholders of GL. The GL Plan was terminated on 21 November 2008.

There were no outstanding options pursuant to the GL Plan as at 1 July 2008 and 30 June 2009, and no options were granted to any eligible participants pursuant to the GL Plan during the year.

SHARE OPTIONS (cont'd)

GuocoLeisure Limited ("GL") (cont'd)

The GuocoLeisure Value Creation Incentive Share Scheme (the "GL Scheme")

The GL Scheme is a share incentive scheme and was approved by the board of directors of GL in 2003 to allow the grant of options over existing shares of GL to eligible participants including employees and executive directors of the GL Group. The GL Scheme is not governed by Chapter 17 of the Listing Rules. It was terminated on 21 November 2008.

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008")

The GL ESOS 2008 was approved by the shareholders of GL on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "GL ESOS Effective Date") in place of the GL Plan and the GL Scheme. The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to eligible participants including employees and executive directors of the GL Group who are not controlling shareholders of GL.

The GL ESOS 2008 provides an opportunity for the employees of the GL Group who have contributed to the growth and development of the GL Group to participate in the equity of GL.

A committee (the "GL ESOS Committee") comprising directors of GL who are presently not participants of the GL ESOS 2008 shall select confirmed employees (including executive directors) of the GL Group ("GL Employees") to become participants in the GL ESOS 2008.

The number of GL shares over which the GL ESOS Committee may grant options under the GL ESOS 2008 on any date shall not in aggregate exceed 15% of the issued share capital of GL on the day preceding that date, provided that the maximum aggregate number of new GL shares over which the GL ESOS Committee may grant options when added to the number of new GL shares issued and issuable in respect of all options granted under the GL ESOS 2008, shall not exceed 10% of the issued share capital of GL as at the GL ESOS Effective Date. As at the date of this report, the total number of new GL shares available for issue over which options under the GL ESOS 2008 may be granted is 136,806,363, which represents approximately 10% of the issued share capital of GL.

The maximum entitlement of any participant in respect of the total number of new GL shares issued and to be issued upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GL in issue as at any date of grant.

The grant of an option to a participant shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of S$1 as consideration.

The exercise price per GL share shall be a price equal to the 5-day weighted average market price of the GL shares immediately prior to the date of grant of the option. An option shall be exercisable within such period commencing on the date after (a) the second anniversary of the date of grant (for participants who have been employed for less than one year), and (b) the first anniversary of the date of grant (for all other participants) and ending on a date not later than 10 years after the date of grant.

The GL ESOS 2008 shall continue to be in force at the discretion of the GL ESOS Committee, subject to a maximum period of 10 years commencing from the GL ESOS Effective Date till 20 November 2018.

No options were granted pursuant to the GL ESOS 2008 from the Effective Date up to 30 June 2009.

SHARE OPTIONS (cont'd)

GuocoLand (Malaysia) Berhad ("GLM")

Executive Share Option Scheme (the "GLM ESOS")

The GLM ESOS as approved by the shareholders of GLM, was established on 23 January 2006 ("GLM Adoption Date"). Under the GLM ESOS, the exercise of options could be satisfied through issuance of new shares and/or transfer of existing shares of GLM. On 1 June 2007 ("Approval Date"), the approval of shareholders of the Company was sought to effect various amendments to the Bye-Laws of the GLM ESOS for the purpose of compliance with Chapter 17 of the Listing Rules (the "Modified GLM ESOS").

The Modified GLM ESOS provides an opportunity for the eligible participants (selected by the board of directors of GLM or its duly authorised committee/individual, the "GLM Board") being executives or directors (executive or non-executive) of GLM and its subsidiaries (the "GLM Group") who have contributed to the growth and development of the GLM Group to participate in the equity of GLM.

The number of GLM shares over which the GLM Board may grant options under the Modified GLM ESOS on any date shall not in aggregate exceed 15% of the issued share capital of GLM at any one time provided that the total number of new GLM shares which may be issued upon exercise of options to be granted under the Modified GLM ESOS shall not exceed 10% of the issued share capital of GLM as at the Approval Date. Accordingly, the maximum number of new GLM shares available for issue over which options under the Modified GLM ESOS may be granted is 70,045,851 which represents approximately 10% of the issued share capital of GLM as at the date of this report.

The maximum entitlement of any participant in respect of the total number of new GLM shares issued and to be issued upon the exercise of options granted in any 12-month period shall not exceed 1% of the share capital of GLM in issue as at any date of grant.

The grant of option to a participant shall be accepted within 30 days from the date on which an option is granted accompanied by a payment of RM1 as consideration.

The GLM Board may at its discretion determine the exercise price for each GLM share provided that such exercise price so fixed shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of GLM shares preceding the date of grant and shall in no event be less than the par value of the GLM shares. An option shall be exercisable at any time during the option period which shall be determined by the GLM Board provided that such period shall not be more than 10 years from the GLM Adoption Date.

The Modified GLM ESOS shall continue to be in force for a period of 10 years commencing from the GLM Adoption Date till 22 January 2016.

Since the establishment up to 30 June 2009, no options had been granted pursuant to the Modified GLM ESOS.

Save for above, certain other subsidiaries of Hong Leong Company (Malaysia) Berhad maintain share option schemes or plans which subsisted at the end of the year or at any time during the year, under which eligible directors of the Company may be granted share options for acquisition of shares of respective companies concerned. No person, being a director of the Company during the year, held shares acquired in pursuance of certain aforesaid share option schemes or plans.

Apart from the above, at no time during the year was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DISCLOSABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS

As at 30 June 2009, other than the interests and short positions of the directors of the Company disclosed above, the persons who had interests or short positions in the shares and underlying shares of 5% or more in the Company's issued share capital as recorded in the register maintained by the Company under Section 336 of the SFO are as follows. Certain information herein is based on additional information of the relevant events on or before 30 June 2009 with the disclosure deadlines under the SFO falling after 30 June 2009.

Shareholders	Capacity	Number of shares/underlying shares (Long Position)	*Notes*	Approx. % of the issued share capital
Hong Leong Company (Malaysia) Berhad ("HLCM")	Interest of controlled corporations	244,425,391	*1*	74.28%
HL Holdings Sdn Bhd ("HLH")	Interest of controlled corporations	244,425,391	*2 & 3*	74.28%
Hong Leong Investment Holdings Pte Ltd ("HLInvt")	Interest of controlled corporations	244,425,391	*2 & 4*	74.28%
Davos Investment Holdings Private Limited ("Davos")	Interest of controlled corporations	244,425,391	*2 & 5*	74.28%
Kwek Leng Kee ("KLK")	Interest of controlled corporations	244,425,391	*2 & 6*	74.28%
Third Avenue Management LLC	Investment Manager	16,440,300		5.00%
Arnhold and S. Bleichroeder Advisers, LLC	Investment Manager	19,758,840		6.00%

Notes:

1. These interests comprised 239,225,391 ordinary shares of the Company and 5,200,000 underlying shares of unlisted cash settled derivatives.

   These interests comprised the respective direct interests held by:

	Number of shares/ underlying shares
GuoLine Overseas Limited ("GOL")	235,198,529
GuoLine Capital Limited ("GCL")	5,200,000
Asian Financial Common Wealth (PTC) Limited ("AFCW")	4,026,862

   AFCW was wholly owned by the Company which was in turn 71.48% owned by GOL. GOL and GCL were wholly owned by GuoLine Capital Assets Limited which was in turn wholly owned by HLCM.

2. The interests of HLCM, HLH, HLInvt, Davos and KLK are duplicated.

3. HLH was deemed to be interested in these interests through its controlling interests in HLCM which was 49.11% owned by HLH (46.68%) and Mr Quek Leng Chan (2.43%).

4. HLInvt was deemed to be interested in these interests through its controlling interests of 34.49% in HLCM.

5. Davos was deemed to be interested in these interests through its controlling interests of 33.59% in HLInvt.

6. KLK was deemed to be interested in these interests through his controlling interests of 41.92% in Davos.

Save as disclosed above, as at 30 June 2009, the Company had not been notified by any person (other than the directors of the Company) who had interests or short positions in the shares or underlying shares of the Company of 5% or more which should be disclosed pursuant to the Part XV of the SFO or as recorded in the register maintained by the Company under Section 336 of the SFO.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS

Master Services Agreements

The following master services agreements dated 25 June 2008 were entered into by the Company (together with its subsidiaries, the "Group") with certain Hong Leong group companies for the provision by the latter of management services including overview of businesses and operations, investment management and financial management disciplines, treasury and risk management, key managerial recruitment and retention, productivity and quality programmes and other operating practices and procedures as well as planning and development of management information system (the "Services"):

1. master services agreement entered into by the Company with GuoLine Group Management Co. Limited ("GGMC") and GOMC Limited ("GOMC") for provision of the Services by GGMC or GOMC to the Company and/or all the subsidiaries of the Company from time to time excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia ("Malaysian Subsidiaries") (hereinafter referred to as "GGMC/GOMC Agreement"); and

2. master services agreement entered into by the Company with HL Management Co Sdn Bhd ("HLMC") for provision of the Services by HLMC to the Malaysian Subsidiaries (hereinafter referred to as "HLMC Agreement"),

(collectively, the "Master Services Agreements").

The Master Services Agreements are for a term of three financial years from 1 July 2008 to 30 June 2011.

The fees payable under the respective Master Services Agreement comprise a monthly fee (the "Monthly Fee") as agreed from time to time between the Company or such service recipient and the relevant service provider and an annual fee (the "Annual Fee") equal to three per cent of the annual profit before tax of such service recipient as shown in its audited profit and loss account for the relevant financial year, subject to appropriate adjustment, if any.

The total fees, being the sum of the Monthly Fee, the Annual Fee and the total amount of any fees paid or payable by the Group to any Hong Leong Group company for services of a similar nature as the Services, are subject to an annual cap of HK$352,000,000 (the "Annual Cap") for each of the three financial years ending 30 June 2011.

GGMC, GOMC and HLMC are indirect wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of the Company and thus they are associates of connected person of the Company under the Hong Kong Listing Rules (the "Listing Rules").

As Mr Quek Leng Chan and his associate own 5% or more of the issued share capital of HLCM, he is deemed materially interested in the Master Services Agreements pursuant to the Bye-Laws of the Company.

The independent non-executive directors of the Company had reviewed the transactions under the Master Services Agreements during the year and confirmed that:

a. The transactions under the Master Services Agreements for the year were entered into:

   – in the ordinary and usual course of business of the Group;

   – on terms no less favourable to the Group than the respective terms available from independent third parties; and

   – in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Master Services Agreements (cont'd)

b. The total services fees paid and payable by the Group under the respective Master Services Agreements for the year were as follows:

	Services Fees Paid and Payable by the Group HK$'000
GGMC/GOMC Agreement	34,130
HLMC Agreement	2,450
Total:	36,580
	(<HK$352 million)

The aggregate services fees paid and payable by the Group under the Master Services Agreements for the year amounted to approximately HK$36.58 million which did not exceed the Annual Cap of HK$352 million as disclosed in the Company's announcement dated 25 June 2008.

Share Option Schemes

1. *Executives' Share Option Schemes of GuocoLand Limited*

GuocoLand Limited ("GLL") obtained shareholders' approval in October 2004 to modify its Executives' Share Option Scheme (the "GLL ESOS") to provide for the satisfaction of the exercise of options through issue of new GLL shares and/or transfer of existing GLL shares. Approval of the shareholders of the Company on such modification to the GLL ESOS was also obtained in October 2004.

A trust for the GLL ESOS (the "GLL Trust") was established pursuant to a trust deed (the "Trust Deed") between GLL and the trustee of the GLL Trust (the "Trustee" which is a trust company unrelated to GLL) to acquire existing GLL shares for the purpose of the GLL ESOS. GLL or its subsidiaries ("GLL Group") will provide finances to the GLL Trust from time to time to enable it to acquire existing GLL shares for the purpose of the GLL ESOS.

The GLL ESOS was terminated on 21 November 2008 and was replaced by a new GuocoLand Limited Executives' Share Option Scheme 2008 adopted on even day (the "GLL ESOS 2008"). The trust deed for the GLL ESOS was then amended such that the Trustee may also hold GLL shares for the purpose of the GLL ESOS 2008.

The GLL Trust, whose beneficiaries include eligible participants of the GLL ESOS or the GLL ESOS 2008 who may be executive directors of the GLL Group, is deemed to be a connected person of the Company under the Listing Rules.

The provision of finances to the GLL Trust from time to time constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Share Option Schemes (cont'd)

1. *Executives' Share Option Schemes of GuocoLand Limited (cont'd)*

The independent non-executive directors of the Company had reviewed such continuing connected transactions during the year and confirmed that during the year, the maximum subsisting amount of the finances provided by the GLL Group for the purchases of existing GLL shares was approximately S$134 million which did not exceed the cap amount of S$150 million or its equivalent as disclosed in the announcement of the Company dated 17 July 2007. The provision of such finances were made:

– in the ordinary and usual course of business of the Group;

– on normal commercial terms; and

– in accordance with the relevant document governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

There was no grant of options under the GLL ESOS or the GLL ESOS 2008 during the year.

2. *The GuocoLeisure Value Creation Incentive Scheme ("GL Scheme") of GuocoLeisure Limited*

The GL Scheme is a share incentive scheme and was approved by the board of directors of GuocoLeisure Limited ("GL") in 2003.

Under the GL Scheme, options over existing shares of GL may be issued to eligible participants including employees and executive directors of GL and its subsidiaries (the "GL Group"). The purpose of the GL Scheme is to enable the participants to have an opportunity to acquire a personal equity interest in GL and help to align their interests with that of the shareholders of GL.

A trust for the GL Scheme (the "GL Trust") was established pursuant to a trust deed between GL and the trustee of the GL Trust (the "GL Trustee", a trust company unrelated to GL) to acquire existing GL shares for the purpose of the GL Scheme. The GL Group will provide finances to the GL Trust from time to time to enable it to acquire existing GL shares for the purpose of the GL Scheme.

The GL Trust, whose beneficiaries include eligible participants of the GL Scheme who may be directors and chief executives of the GL Group, is deemed to be a connected person of the Company under the Listing Rules.

The provision of finances to the GL Trust from time to time constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The independent non-executive directors of the Company had reviewed such continuing connected transactions during the year and confirmed that during the year, the maximum subsisting amount of the finances provided by the GL Group for the purchases of existing GL shares was approximately S$45 million which did not exceed the cap amount of S$60 million as disclosed in the announcement of the Company dated 16 December 2005. The provision of such finances were made:

– in the ordinary and usual course of business of the Group;

– on normal commercial terms; and

– in accordance with the relevant document governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Share Option Schemes (cont'd)

2. *The GuocoLeisure Value Creation Incentive Scheme ("GL Scheme") of GuocoLeisure Limited (cont'd)*

The GL Scheme was terminated on 21 November 2008 and was replaced by a new GuocoLeisure Limited Executives' Share Option Scheme 2008 adopted on the even day (the "GL ESOS 2008"). A new trust will be established by GL for the purpose of the GL ESOS 2008. GL will not provide finances to the new trust until and unless the Company complies with the continuing connected transaction requirements under Chapter 14A of the Listing Rules as appropriate.

There was no grant of options under the GL Scheme or the GL ESOS 2008 during the year.

3. *The Executive Share Option Scheme of GuocoLand (Malaysia) Berhad ("GLM ESOS")*

The GLM ESOS was approved and adopted by the shareholders of GuocoLand (Malaysia) Berhad ("GLM") in January 2006 to provide for the satisfaction of the exercise of options through issue of new GLM shares and/or transfer of existing GLM shares. The GLM ESOS with modifications in compliance with the Listing Rules was approved by the shareholders of the Company in June 2007.

A trust for the GLM ESOS (the "GLM Trust") was established pursuant to a trust deed between GLM and the trustee of the GLM ESOS Trust (the "Trustee", an indirect subsidiary of HLCM which is the ultimate holding company of the Company) to acquire existing GLM shares for the purpose of the GLM ESOS. GLM or its subsidiaries (the "GLM Group") will provide finances to the GLM Trust from time to time to enable it to acquire the existing GLM shares for the purpose of the GLM ESOS.

The GLM Trust, whose beneficiaries include eligible participants of the GLM ESOS who may be chief executives and directors of the GLM Group, is deemed to be a connected person of the Company under the Listing Rules.

The provision of finances to the GLM Trust from time to time constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The independent non-executive directors of the Company had reviewed such continuing connected transactions during the year and confirmed that during the year, the maximum subsisting amount of the finances provided by the GLM Group for the purchases of existing GLM shares was approximately RM24 million which did not exceed the cap amount of RM150 million as disclosed in the announcement of the Company dated 1 June 2007. The provision of such finances were made:

– in the ordinary and usual course of business of the Group;

– on normal commercial terms; and

– in accordance with the relevant document governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

No options have ever been granted under the GLM ESOS.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Banking Transactions

The Group has from time to time entered into, and may in future enter into, among others, the following transactions with the authorised financial institutions within Hong Leong Group including Hong Leong Bank Berhad ("HLB") and Hong Leong Islamic Bank Berhad ("HLIB") (collectively, "Hong Leong Financial Institutions"):

– placing of deposits by the Group with Hong Leong Financial Institutions; and

– subscription for or purchase by the Group of debt securities issued by Hong Leong Financial Institutions,

(collectively, the "Banking Transactions").

The Banking Transactions are part of the treasury activities of the Group in the ordinary and usual course of its business. The treasury functions involve the management of cashflows and cash resources, which the Group conducts with various financial institutions.

HLB is an indirect subsidiary of HLCM and a subsidiary of an associated company of the Company while HLIB is a wholly owned subsidiary of HLB. The Banking Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As Mr Quek Leng Chan and his associate own 5% or more of the issued share capital of HLCM, he is deemed materially interested in the Banking Transactions pursuant to the Bye-Laws of the Company.

From time to time during the year, the Group had placed deposits (including savings, current and other deposits in various currencies) with Hong Leong Financial Institutions as the deposit accepting banks (the "Deposit Transactions"). As at 30 June 2009, the balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$37 million.

The Deposit Transactions were based on the relevant market rates at the time of each transaction and are broadly the same as those engaged by the Group with other unconnected financial institutions. The interest rate for the savings and time deposits for various currencies placed by the Group with Hong Leong Financial Institutions ranged from 0.01% to 7.0% per annum. The tenor of the time deposits ranged from overnight to 2 months.

The independent non-executive directors of the Company had reviewed the Banking Transactions during the year and confirmed that,

a. during the year, there is no subscription for or purchase by the Group of debt securities issued by Hong Leong Financial Institutions;

b. during the year, the maximum aggregate outstanding balance of deposits placed by the Group with Hong Leong Financial Institutions was approximately US$71 million which did not exceed the cap amount of US$95 million or its equivalent as disclosed in the announcement of the Company dated 11 October 2006; and

c. the Deposit Transactions were entered into:

   – in the ordinary and usual course of business of the Group;

   – on normal commercial terms; and

   – in accordance with the relevant documents governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INTERESTS IN CONTRACTS AND CONNECTED TRANSACTIONS (cont'd)

Others

During the year, the Group regularly conducts investment, insurance, stockbroking, nominee, custodian, share registration, lease of premises, management and administrative services as well as other activities in the ordinary course of business and on normal commercial terms with subsidiaries of, and companies related to, HLCM.

As Mr Quek Leng Chan and his associate own 5% or more of the issued shares of HLCM, he is deemed materially interested in the aforesaid transactions pursuant to the Bye-Laws of the Company.

Apart from the above, no contract of significance, to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Messrs Quek Leng Chan, Kwek Leng Hai and Kwek Leng San are directors of HLCM, the ultimate holding company of the Company, which is a conglomerate based in Malaysia with diversified businesses in banking and financial services, manufacturing and distribution, property development and investment as well as hospitality and leisure.

The above directors are considered as having interests in business apart from the Group's business, which is likely to compete, directly or indirectly, with the Group's business under paragraph 8.10 of the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

According to the information that is publicly available to the Company and within the knowledge of the directors, the Company maintained sufficient public float at all times during the year.

AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board

Kwek Leng Hai
President, CEO

Hong Kong, 28 August 2009

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GUOCO GROUP LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Guoco Group Limited (the "Company") set out on pages 64 to 151, which comprise the consolidated and company balance sheets as at 30 June 2009, and the consolidated income statement, the consolidated statement of changes of equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
28 August 2009

Consolidated
Income Statement

For the year ended 30 June 2009

	Note	2009 US$'000	2008 US$'000	2009 HK$'000 (Note 1(c))	2008 HK$'000 (Note 1(c))
Turnover	5	**2,847,786**	2,719,754	**22,070,626**	21,211,225
Revenue	5	**1,147,931**	1,099,330	**8,896,580**	8,573,620
Cost of sales		**(762,953)**	(512,294)	**(5,912,962)**	(3,995,356)
Other attributable costs		**(20,143)**	(25,274)	**(156,110)**	(197,111)
		364,835	561,762	**2,827,508**	4,381,153
Other revenue	6(a)	**58,595**	72,582	**454,117**	566,063
Other net losses	6(b)	**(119,794)**	(90,157)	**(928,415)**	(703,130)
Administrative and other operating expenses		**(191,690)**	(274,143)	**(1,485,617)**	(2,138,028)
Profit from operations before finance cost		**111,946**	270,044	**867,593**	2,106,058
Finance cost	7(a)	**(66,386)**	(117,315)	**(514,498)**	(914,934)
Profit from operations	14	**45,560**	152,729	**353,095**	1,191,124
Valuation (deficit)/surplus on investment properties		**(59,705)**	70,359	**(462,720)**	548,726
Profit on partial disposal of an associate		**–**	12,128	**–**	94,586
Profit on disposal of investment properties		**–**	4,296	**–**	33,504
Share of profits of associates	7(c)	**55,430**	55,958	**429,588**	436,414
Share of (losses)/profits of jointly controlled entities	7(c)	**(845)**	4,605	**(6,549)**	35,914
Profit for the year before taxation	7	**40,440**	300,075	**313,414**	2,340,268
Tax income/(expenses)	8(a)	**37,344**	(41,128)	**289,420**	(320,755)
Profit for the year		**77,784**	258,947	**602,834**	2,019,513
Attributable to:					
Shareholders of the Company	11	**61,364**	188,191	**475,577**	1,467,690
Minority interests		**16,420**	70,756	**127,257**	551,823
Profit for the year		**77,784**	258,947	**602,834**	2,019,513
Appropriations:					
Final dividend paid in respect of prior year		**(125,745)**	(137,741)	**(974,536)**	(1,074,235)
Interim dividend paid in respect of current year		**(20,960)**	(41,824)	**(162,442)**	(326,183)
	12	**(146,705)**	(179,565)	**(1,136,978)**	(1,400,418)
Earnings per share		**US$**	US$	**HK$**	HK$
Basic	13	**0.19**	0.58	**1.46**	4.52
Diluted	13	**0.19**	0.57	**1.46**	4.46
		US$'000	US$'000	**HK$'000**	HK$'000
Proposed final dividend	12	**63,687**	126,575	**493,577**	987,154

The notes on pages 71 to 151 form part of these financial statements.

Consolidated
Balance Sheet

As at 30 June 2009

	Note	2009 US$'000	2008 US$'000	2009 HK$'000 (Note 1(c))	2008 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Fixed assets					
– Investment properties	15	**280,057**	360,848	**2,170,470**	2,814,237
– Other property, plant and equipment	15	**1,353,787**	1,578,944	**10,491,985**	12,314,105
Interest in associates	18	**387,080**	369,359	**2,999,909**	2,880,612
Interest in jointly controlled entities	19	**99,163**	107,026	**768,523**	834,690
Available-for-sale financial assets	22	**434,356**	141,086	**3,366,302**	1,100,323
Deferred tax assets	34	**3,075**	160	**23,832**	1,248
Intangible assets	16	**161,184**	199,227	**1,249,192**	1,553,761
Goodwill	23	**33,903**	34,168	**262,752**	266,475
		2,752,605	2,790,818	**21,332,965**	21,765,451
CURRENT ASSETS					
Development properties	24	**2,960,825**	3,439,876	**22,946,690**	26,827,421
Properties held for sale	25	**262,567**	26,903	**2,034,921**	209,815
Trade and other receivables	26	**250,665**	216,055	**1,942,679**	1,685,002
Trading financial assets	27	**359,864**	533,505	**2,788,982**	4,160,779
Cash and short term funds	28	**2,944,242**	3,253,910	**22,818,170**	25,377,081
		6,778,163	7,470,249	**52,531,442**	58,260,098
CURRENT LIABILITIES					
Trade and other payables	29	**702,810**	699,510	**5,446,848**	5,455,444
Current portion of bank loans and other borrowings	30	**740,390**	760,913	**5,738,097**	5,934,322
Taxation	8(c)	**28,044**	39,117	**217,344**	305,072
Provisions and other liabilities	33	**1,622**	7,746	**12,571**	60,411
		1,472,866	1,507,286	**11,414,860**	11,755,249
NET CURRENT ASSETS		**5,305,297**	5,962,963	**41,116,582**	46,504,849
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,057,902**	8,753,781	**62,449,547**	68,270,300
NON-CURRENT LIABILITIES					
Non-current portion of bank loans and other borrowings	31	**1,777,627**	2,087,429	**13,776,787**	16,279,754
Provisions and other liabilities	33	**10,750**	18,583	**83,314**	144,928
Deferred tax liabilities	34	**105,771**	153,648	**819,736**	1,198,293
		1,894,148	2,259,660	**14,679,837**	17,622,975
NET ASSETS		**6,163,754**	6,494,121	**47,769,710**	50,647,325

Consolidated Balance Sheet

As at 30 June 2009

	Note	2009 US$'000	2008 US$'000	2009 HK$'000 (Note 1(c))	2008 HK$'000 (Note 1(c))
CAPITAL AND RESERVES					
Share capital	35	**164,526**	164,526	**1,275,093**	1,283,130
Reserves	35	**4,956,961**	5,116,409	**38,416,944**	39,902,618
Equity attributable to shareholders of the Company		**5,121,487**	5,280,935	**39,692,037**	41,185,748
Minority interests	35	**1,042,267**	1,213,186	**8,077,673**	9,461,577
TOTAL EQUITY		**6,163,754**	6,494,121	**47,769,710**	50,647,325

Approved and authorised for issue by the Board of Directors on 28 August 2009

Kwek Leng Hai
James Eng, Jr.
Directors

The notes on pages 71 to 151 form part of these financial statements.

Balance **Sheet**

As at 30 June 2009

	Note	2009 US$'000	2008 US$'000	2009 HK$'000 (Note 1(c))	2008 HK$'000 (Note 1(c))
NON-CURRENT ASSETS					
Interest in subsidiaries	17	**1,510,431**	1,544,077	**11,705,991**	12,042,179
Held-to-maturity financial assets	21	**159,134**	171,463	**1,233,304**	1,337,231
Available-for-sale financial assets	22	**203**	203	**1,573**	1,583
		1,669,768	1,715,743	**12,940,868**	13,380,993
CURRENT ASSETS					
Trade and other receivables	26	**1,857**	4,025	**14,392**	31,391
Cash and short term funds	28	**2,443,672**	2,669,879	**18,938,702**	20,822,253
		2,445,529	2,673,904	**18,953,094**	20,853,644
CURRENT LIABILITIES					
Amounts due to subsidiaries	17	**428,610**	560,623	**3,321,770**	4,372,271
Trade and other payables	29	**541**	6,125	**4,192**	47,768
		429,151	566,748	**3,325,962**	4,420,039
NET CURRENT ASSETS		**2,016,378**	2,107,156	**15,627,132**	16,433,605
NET ASSETS		**3,686,146**	3,822,899	**28,568,000**	29,814,598
CAPITAL AND RESERVES					
Share capital	35	**164,526**	164,526	**1,275,093**	1,283,130
Reserves	35	**3,521,620**	3,658,373	**27,292,907**	28,531,468
TOTAL EQUITY		**3,686,146**	3,822,899	**28,568,000**	29,814,598

Approved and authorised for issue by the Board of Directors on 28 August 2009

Kwek Leng Hai
James Eng, Jr.
Directors

The notes on pages 71 to 151 form part of these financial statements.

Consolidated Statement of

Changes in Equity

For the year ended 30 June 2009

	2009 US$'000	2008 US$'000	2009 HK$'000 (Note 1(c))	2008 HK$'000 (Note 1(c))
Total equity at 1 July	**6,494,121**	6,185,610	**50,647,325**	48,351,368
Exchange adjustments	**–**	–	**(317,238)**	(110,105)
	6,494,121	6,185,610	**50,330,087**	48,241,263
Net income/(loss) for the year recognised directly in equity:				
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	**(222,653)**	182,450	**(1,725,583)**	1,422,918
Exchange differences on monetary items forming part of the net investments in foreign subsidiaries and associates	**10,439**	(4,064)	**80,903**	(31,695)
Changes in fair value of available-for-sale financial assets	**39,719**	(15,250)	**307,826**	(118,933)
Net (loss)/income for the year recognised directly in equity	**(172,495)**	163,136	**(1,336,854)**	1,272,290
Transfer to profit or loss on disposal of available-for-sale financial assets	**49**	169	**380**	1,318
Net profit for the year	**77,784**	258,947	**602,834**	2,019,513
Total recognised income and expense for the year	**(94,662)**	422,252	**(733,640)**	3,293,121
Attributable to:				
Shareholders of the Company	**(15,172)**	307,999	**(117,585)**	2,402,068
Minority interests	**(79,490)**	114,253	**(616,055)**	891,053
	(94,662)	422,252	**(733,640)**	3,293,121
Share of subsidiaries' and associates' capital and other reserves movement	**703**	(12,367)	**5,448**	(96,450)
Transfer of shares to employees upon exercise of share options by a subsidiary	**2,055**	4,159	**15,926**	32,436
Equity settled share-based transactions	**536**	3,853	**4,154**	30,049
Issue of shares under rights issue by a subsidiary	**–**	147,303	**–**	1,148,809
Subscription of shares under rights issue by the trust for Executives' Share Option Scheme ("ESOS") by a subsidiary	**–**	(34,039)	**–**	(265,468)
Minority interests on acquisition of subsidiaries	**(51,604)**	(36,837)	**(399,936)**	(287,290)
Minority interests on liquidation of a subsidiary	**(10,083)**	–	**(78,144)**	–
Minority interests on share capital reduction in subsidiaries	**(4,830)**	–	**(37,433)**	–
Dividends paid to minority interests	**(23,989)**	(17,581)	**(185,917)**	(137,113)
Valuation released upon disposal of properties	**(998)**	(347)	**(7,735)**	(2,706)
Cash distribution to minority interests	**(790)**	(10,705)	**(6,122)**	(83,488)
Exercise of warrants and conversion of Irredeemable Convertible Unsecured Loan Stocks ("ICULS") issued by a subsidiary	**–**	22,385	**–**	174,580
Dividends paid	**(146,705)**	(179,565)	**(1,136,978)**	(1,400,418)
Total equity at 30 June	**6,163,754**	6,494,121	**47,769,710**	50,647,325

The notes on pages 71 to 151 form part of these financial statements.

Consolidated
Cash Flow Statement

For the year ended 30 June 2009

	Note	2009 US$'000	2008 US$'000
Operating activities			
Profit for the year before taxation		**40,440**	300,075
Adjustments for:			
– Finance cost		**66,386**	117,315
– Interest income		**(70,680)**	(172,451)
– Dividend income		**(17,515)**	(22,719)
– Depreciation		**25,994**	28,631
– Amortisation of Bass Strait oil and gas royalty		**5,653**	6,863
– Equity settled share-based payment expenses		**711**	3,362
– Recognition of negative goodwill		**(23,207)**	(6,931)
– Dilution gain on interest in an associate		**–**	(5,910)
– Profit on partial disposal of an associate		**–**	(12,128)
– Valuation deficit/(surplus) on investment properties		**59,705**	(70,359)
– Provision/(write-back) of impairment loss on properties		**15,927**	(5,874)
– Share of profits of associates		**(55,430)**	(55,958)
– Share of losses/(profits) of jointly controlled entities		**845**	(4,605)
– Net gains on disposal of fixed assets		**(119)**	(372)
– Profit on disposal of investment properties		**–**	(4,296)
– Write-back of rental yield guarantee provision		**–**	(716)
Operating profit before changes in working capital		**48,710**	93,927
(Increase)/decrease in trade and other receivables		**(55,885)**	386,430
Decrease in trading financial assets		**176,969**	654,141
Increase in available-for-sale financial assets		**(253,757)**	(115,591)
Decrease/(increase) in development properties		**243,302**	(1,319,799)
(Increase)/decrease in properties held for sale		**(168,778)**	10,536
Decrease in provisions and other liabilities		**(9,829)**	(3,710)
Increase/(decrease) in trade and other payables		**32,620**	(235,268)
Cash generated from/(used in) operations		**13,352**	(529,334)
Interest received		**72,720**	180,681
Dividend received on equity investment		**17,251**	24,190
Tax paid			
– Hong Kong Profits Tax paid		**(858)**	(5,893)
– Overseas tax paid		**(3,229)**	(32,281)
– Overseas tax refund		**5,297**	–
Net cash from/(used in) operating activities		**104,533**	(362,637)

Consolidated Cash Flow Statement

For the year ended 30 June 2009

	Note	2009 US$'000	2008 US$'000
Investing activities			
Acquisition of subsidiaries	36 (b)	**(56)**	(33,222)
Net repayment from associates		**510**	21,176
Net (advance to)/repayment from jointly controlled entities		**(1,510)**	1,922
Purchase of fixed assets		**(51,139)**	(64,333)
Proceeds from disposal of subsidiaries	36 (d)	**1,275**	–
Proceeds from partial disposal of an associate		**–**	15,981
Proceeds from disposal of investment properties		**–**	23,166
Proceeds from disposal of fixed assets		**394**	5,696
Dividends received from associates		**17,540**	20,140
Purchase of additional shareholdings in subsidiaries		**(28,189)**	(34,724)
Net cash used in investing activities		**(61,175)**	(44,198)
Financing activities			
Proceeds from rights issue by a subsidiary		**–**	146,949
Purchase of ordinary shares for ESOS by subsidiaries		**–**	(40,162)
Proceeds from conversion of ICULS and exercise of warrants in a subsidiary		**–**	14,908
Consideration received from employees upon exercise of share options		**2,055**	4,159
Distribution to minority shareholders		**(790)**	(6,168)
Proceeds from bank loans and other borrowings		**66,512**	603,585
Repayment of medium term notes		**(179,663)**	–
Interest paid		**(97,681)**	(152,514)
Dividends paid to minority shareholders		**(23,989)**	(17,581)
Dividends paid		**(146,705)**	(179,565)
Net cash (used in)/from financing activities		**(380,261)**	373,611
Net decrease in cash and cash equivalents		**(336,903)**	(33,224)
Cash and cash equivalents at 1 July	28	**3,253,910**	3,164,066
Effect of foreign exchanges rates		**27,235**	123,068
Cash and cash equivalents at 30 June	28	**2,944,242**	3,253,910

The notes on pages 71 to 151 form part of these financial statements.

1. BASIS OF PREPARATION

(a) Statement of compliance

Although not required to do so under the Bye-Laws of the Company, these financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 4 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2009 comprise the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in associates and jointly controlled entities.

The measurement basis used in the preparation of the financial statements is the historical cost modified by the revaluation of investment properties and the marking to market of certain financial instruments as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Hong Kong dollar amounts

The Hong Kong dollar figures shown in the consolidated income statement, consolidated balance sheet, balance sheet and consolidated statement of changes in equity are for information only. The Company's functional currency is United States dollars. The Hong Kong dollar figures are translated from United States dollars at the rates ruling at the respective financial year ends.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) *Interest income*

– Interest income is recognised as it accrues using the effective interest method.

(ii) *Dividends*

– Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

– Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(iii) Revenue arising from pre-sale of properties is recognised in the financial statements upon completion of the development of the property. Provision for foreseeable loss is made in the year in which such loss is determined.

(iv) Revenue arising from the disposal of other properties is recognised when substantially all the conditions of sales have been met and the risks and rewards of ownership have been transferred to the buyers.

(v) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(vi) Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(vii) Commission and brokerage income in respect of trading securities is recognised on a trade date basis when the relevant transactions are executed.

(viii) Casino revenue represents the gaming win before deduction of gaming duty.

(b) Investments

(i) *Investments in debt and equity securities*

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in debt and equity securities are initially stated at cost, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(i) Investments in debt and equity securities (cont'd)

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any interest or dividends earned on these investments as these are recognised in accordance with the policies set out in note 2(a)(i) and 2(a)(ii).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less impairment losses (see note 2(k)(i)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except foreign exchange gains and losses resulting from changes in the amortised cost of monetary items such as debt securities which are recognised directly in profit or loss. Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(a)(ii), and where these investments are interest-bearing, interest calculated using in the effective interest method is recognised in profit or loss in accordance with the policy set out in note 2(a)(i). When these investments are derecognised or impaired (see note 2(k)(i)), the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the balance sheet at cost less impairment losses (see note 2(k)(i)).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker/dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(i) Investments in debt and equity securities (cont'd)

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(ii) Subsidiaries and minority interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Company, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to shareholders of the Company. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

Loans from holders of minority interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated balance sheet in accordance with notes 2(l), (m), (o), (p) depending on the nature of the liability.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Investments (cont'd)

(iii) Associates and jointly controlled entities

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's or the jointly controlled entity's net assets. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates and jointly controlled entities for the year, including any impairment loss on goodwill relating to the investment in associates and jointly controlled entities recognised for the year (see notes 2(d) and 2(k)(ii)).

When the Group's share of losses exceeds its interest in the associate or the jointly controlled entity, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or the jointly controlled entity. For this purpose, the Group's interest in the associate or the jointly controlled entity is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the jointly controlled entity.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entities are eliminated to the extent of the Group's interest in the associate or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's balance sheet, its investments in associates and jointly controlled entities are stated at cost less impairment losses (see note 2(k)(ii)).

(c) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At each balance sheet date the fair value is remeasured. The gain or loss on remeasurement to fair value is charged immediately to profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate or a jointly controlled entity over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2(k)(ii)). In respect of associates or jointly controlled entities, the carrying amount of goodwill is included in the carrying amount of the interest in the associate or jointly controlled entity.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate or a jointly controlled entity is recognised immediately in profit or loss.

On disposal of a cash-generating unit, an associate or a jointly controlled entity during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(e) Intangible assets

Intangible assets that are acquired by the Group are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(k)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(f) Fixed assets and depreciation

(i) Properties are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated to write off the cost of the assets less their estimated residual value using the straight-line method over their estimated useful lives as follows:

- Freehold land is not depreciated.

- Building situated on freehold land are depreciated over their remaining useful economic lives (up to 100 years).

- Land held under operating leases and buildings thereon, where the fair values of the leasehold interest in the land and buildings cannot be reliably measured separately at the inception of the lease are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Fixed assets and depreciation (cont'd)

(ii) Furniture, fixtures and equipment are stated at cost less accumulated depreciation and impairment loss (see note 2(k)(ii)). Depreciation is calculated on a straight-line basis to write off the cost of the assets over their estimated useful lives, taken as being between 3 to 15 years.

(iii) Both the useful life of an asset and its residual value, if any, are reviewed annually.

(iv) On disposal of fixed assets, the profit or loss is determined as the difference between the net sale proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

(g) Investment property

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 2(h)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 2(a)(v).

When the Group holds a property interest under an operating lease to earn rental income and/or for capital appreciation, the interest is classified and accounted for as an investment property on a property-by-property basis. Any such property interest which has been classified as an investment property is accounted for as if it were held under a finance lease (see note 2(h)), and the same accounting policies are applied to that interest as are applied to other investment properties leased under finance leases. Lease payments are accounted for as described in note 2(h).

(h) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease (see note 2(g)); and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(h) Leased assets (cont'd)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in fixed assets and the corresponding liabilities, net of finance charges, are recorded as obligations under finance lease. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(f). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property (see note 2(g)) or is held for sale (see note 2(i)).

(i) Properties held for sale

Properties held for sale are included in the balance sheet at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less costs to be incurred in selling the properties.

(j) Development properties

Development properties are stated at the lower of cost and estimated net realisable value, net of progress billings. Land, related acquisition expenses, development expenditure, interest and other related expenditure are capitalised as part of the cost of development properties.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities are not reversed.

– For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

– For available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(i) Impairment of investments in debt and equity securities and other receivables (cont'd)

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment (other than properties carried at revalued amounts);

– intangible assets;

– investments in subsidiaries, associates and joint ventures; and

– goodwill.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(k) Impairment of assets (cont'd)

(ii) Impairment of other assets (cont'd)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(l) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(m) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends on preference share capital classified as equity are recognised as distributions within equity.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. The liability is recognised in accordance with the Group's policy for interest-bearing borrowings set out in note 2(l) and accordingly dividends thereon are recognised on an accruals basis in profit or loss as part of finance costs.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of bad and doubtful debts (see note 2(k)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect or discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of bad and doubtful debts (see note 2(k)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(o) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(v)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Convertible bonds

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

At initial recognition the liability component of the convertible bonds is measured as the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. Any excess of proceeds over the amount initially recognised as the liability component is recognised as the equity component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The equity component is recognised in the capital reserve until either the note is converted or redeemed.

If the bond is converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bond is redeemed, the capital reserve is released directly to retained profits.

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Income tax (cont'd)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Income tax (cont'd)

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated into United States dollars at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into United States dollars at the foreign exchange rates ruling at the balance sheet date. Exchange gains and losses are recognised in profit or loss, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised directly in equity.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into United States dollars at the average exchange rates for the year. Balance sheet items are translated into United States dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in a separate component of equity.

On disposal of a foreign operation, the cumulative amount of the exchange differences recognised in equity which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(t) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Contributions to the Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as expenses in profit or loss as incurred.

The Group also contributed to retirement schemes of its overseas subsidiaries in accordance with their respective requirements and the contributions thereto are charged to profit or loss for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Employee benefits (cont'd)

(ii) Defined benefit retirement plan obligations

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future pension benefits to existing pensioners; those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The amount of the excess of the present value of each fund's liabilities over the fair value of that fund's assets is recognised in profit or loss upon notification to the Group. The discount rate is the yield at the balance sheet date on AAA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations.

Where the calculation results in a benefit to the Group, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are accumulated in the balance sheet. Any gains or losses greater than 10% of a scheme's assets or liabilities are written off to profit or loss over the average remaining service lives of the scheme's employees.

(iii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in reserves until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

(u) Borrowing costs

Borrowing costs are expensed in profit or loss in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(v) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(v)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Contingent liabilities acquired in business combinations

Contingent liabilities acquired as part of a business combination are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(v)(iii). Contingent liabilities acquired in a business combination that cannot be reliably fair valued are disclosed in accordance with note 2(v)(iii).

(iii) Other provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Company or Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(w) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

(i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;

(ii) the Group and the party are subject to common control;

(iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;

(iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;

(v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or

(vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(x) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(x) Segment reporting (cont'd)

(i) Business segments

The Group comprises the following main business segments:

Principal investment	:	Conduct treasury and investment management activities
Property development	:	Development of residential and commercial properties
Property investment	:	Holding properties for rental income
Securities, commodities and brokerage	:	Stock and commodity broking
Hotel and gaming operations	:	Hotel and casino operations
Oil and gas	:	Interest in the Bass Strait oil and gas royalty stream

(ii) Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The key assumptions concerning the future and the accounting estimates that have a significant effect on the carrying value of assets and liabilities in the balance sheet and the profit or loss items are discussed below:

(a) Investment properties (Note 15)

At 30 June 2009 and 2008, investment properties are stated at fair value based on the valuation performed by the independent professional valuers. The valuers have determined the fair value based on a method of valuation which involves certain estimates. In relying on the valuation report prepared by the valuers, management has reviewed the valuation including the assumptions and estimates adopted. Management has exercised its judgement and is satisfied with the method of valuation.

(b) Impairment of assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset or a cash-generating unit has been determined based on value-in-use calculations. There are a number of assumptions and estimates involved in the calculations.

3. ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(c) Income taxes (Notes 8 & 34)

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for potential tax exposures based on its estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

(d) Equity settled share-based transactions (Note 38)

The Black-Scholes option pricing model was applied to estimate the fair value of share options granted by the Company and certain of its subsidiaries. This pricing model requires the input of highly subjective assumptions, including the volatility of share price. The changes in input assumptions can materially affect the fair value estimate.

(e) Defined benefit retirement plan obligations (Note 37)

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future pension benefits to existing pensioners. Those benefits are discounted to determine the present value and the fair value of any plan assets is deducted. The calculations are performed by a qualified actuary using the projected unit credit method. The amount of the excess of the present value of each plan's liabilities over the fair value of that plan's assets is recognised in profit or loss upon notification to the Group.

The actuaries use assumptions and estimates in determining the fair value of the defined benefit plans. Judgement is required to determine the principal actuarial assumptions to determine the present value of defined benefit obligations and service costs. Changes to the principal actuarial assumptions can significantly affect the present value of plan obligations and service costs in future periods.

4. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following new interpretations and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company:

HK(IFRIC) – INT 12	Service Concession Arrangements
HK(IFRIC) – INT 13	Customer Loyalty Programmes
HK(IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
Amendments to HKAS 39 and HKFRS 7	Reclassification of financial assets

The adoption of these new interpretations and amendments have no material impact on the Group's results and financial positions. Accordingly, no prior period adjustment has been required.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 45).

5. TURNOVER AND REVENUE

The principal activity of the Company is investment holding. The principal activities of the subsidiaries which materially affected the results or assets of the Group during the year include principal investment, property development and investment, securities and commodities broking, investment advisory and hotel and gaming operations.

An analysis of the amount of each significant category of turnover and revenue from principal activities during the year is as follows:

	The Group	
	2009	2008
	US$'000	US$'000
Revenue from sale of properties	**688,229**	400,478
Revenue from hotel and gaming operations	**345,269**	473,068
Interest income		
– from listed securities	**10**	–
– others	**70,670**	172,451
Dividend income from listed securities	**17,515**	22,719
Rental income from properties	**18,575**	17,740
Securities commission and brokerage	**5,043**	10,497
Others	**2,620**	2,377
Revenue	**1,147,931**	1,099,330
Proceeds from sale of investments in securities	**1,699,855**	1,620,424
Turnover	**2,847,786**	2,719,754

In addition to turnover, revenue is used in presenting segmental information in note 14.

6. OTHER REVENUE AND NET LOSSES

(a) Other revenue

	The Group	
	2009	2008
	US$'000	US$'000
Sublease income	**8,232**	10,482
Bass Strait oil and gas royalty	**39,155**	44,421
Hotel management fee	**5,361**	13,512
Others	**5,847**	4,167
	58,595	72,582

6. OTHER REVENUE AND NET LOSSES (cont'd)

(b) Other net losses

	The Group	
	2009 **US$'000**	2008 US$'000
Net realised and unrealised gains/(losses) on trading financial assets	**83,095**	(188,210)
Net realised and unrealised (losses)/gains on derivative financial instruments	**(15,762)**	14
Net realised (losses)/gains on disposal of available-for-sale financial assets	**(6,421)**	3,612
Net exchange losses on foreign exchange contracts	**(3,823)**	(3,937)
Other exchange (losses)/gains	**(180,659)**	88,414
Net gains on disposal of fixed assets	**119**	372
Dilution gain on interest in an associate	**–**	5,910
Write-back of rental yield guarantee provision	**–**	716
Other income	**3,657**	2,952
	(119,794)	(90,157)

7. PROFIT FOR THE YEAR BEFORE TAXATION

Profit for the year before taxation is arrived at after charging/(crediting):

(a) Finance cost

	The Group	
	2009 **US$'000**	2008 US$'000
Interest on bank advances and other borrowings wholly repayable within five years	**77,762**	105,382
Other borrowing costs	**37,948**	47,590
Total borrowing costs	**115,710**	152,972
Less: borrowing costs capitalised into development properties (Note)	**(49,324)**	(35,657)
	66,386	117,315

Note: The borrowing costs have been capitalised at rates of 0.97% to 8.51% per annum (2008: 1.43% to 8.51%).

7. PROFIT FOR THE YEAR BEFORE TAXATION (cont'd)

(b) Staff cost

	The Group 2009 US$'000	The Group 2008 US$'000
Contributions to defined contribution retirement plan	**1,790**	2,341
Expenses recognised in respect of defined benefit retirement plans (note 37(a)(v))	**612**	432
Total retirement costs	**2,402**	2,773
Equity settled share-based payment expenses	**711**	3,362
Salaries, wages and other benefits	**126,170**	164,284
	129,283	170,419

(c) Other items

	The Group 2009 US$'000	The Group 2008 US$'000
Depreciation	**25,994**	28,631
Provision/(write-back) of impairment loss on properties	**15,927**	(5,874)
Amortisation of Bass Strait oil and gas royalty	**5,653**	6,863
Operating lease charges		
– properties	**4,515**	3,910
– others	**2,097**	2,582
Auditors' remuneration		
– audit services	**1,445**	1,408
– tax services	**5**	106
– other services	**128**	350
Donations	**523**	467
Recognition of negative goodwill on acquisition of additional interests in subsidiaries	**(23,207)**	(6,931)
Gross rental income from investment properties	**(18,575)**	(17,740)
Less: direct outgoings	**3,979**	6,964
Net rental income	**(14,596)**	(10,776)
Share of profits of associates:		
– listed	**(54,433)**	(55,488)
– unlisted	**(997)**	(470)
	(55,430)	(55,958)
Share of losses/(profits) of jointly controlled entities:		
– unlisted	**845**	(4,605)

8. TAXATION

(a) Tax income/(expenses) in the consolidated income statement represents:

	The Group	
	2009 **US$'000**	2008 US$'000
Current tax – Hong Kong Profits Tax		
Tax for the year	**–**	(936)
Over-provision in respect of prior years	**9,090**	510
	9,090	(426)
Current tax – Overseas		
Tax for the year	**(9,973)**	(38,854)
Over-provision in respect of prior years	**11,152**	1,876
	1,179	(36,978)
Deferred tax		
Origination and reversal of temporary differences	**26,969**	(3,657)
Effect of changes in tax rate on deferred tax balances	**106**	(67)
	27,075	(3,724)
	37,344	(41,128)

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the year ended 30 June 2009. Taxation for overseas subsidiaries is similarly charged at the appropriate current rates of taxation ruling in the relevant countries.

8. TAXATION (cont'd)

(b) Reconciliation between tax income/(expenses) and accounting profit at applicable tax rates:

	The Group			
	2009		2008	
	US$'000	**%**	US$'000	%
Profit before tax	**40,440**		300,075	
Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	**(9,835)**	**(24.3)**	(75,396)	(25.1)
Tax effect of non-deductible expenses	**(71,547)**	**(176.9)**	(73,456)	(24.5)
Tax effect of non-taxable revenue	**54,879**	**135.7**	89,405	29.8
Tax effect of unused tax losses not recognised	**(6,107)**	**(15.1)**	(15,427)	(5.2)
Tax effect of utilisation of tax losses not previously recognised	**52,658**	**130.2**	31,845	10.6
Reversal of temporary differences not accounted for in previous years	**(34)**	**–**	–	–
Tax effect of changes in tax rate on deferred tax balances	**106**	**0.3**	(67)	–
Over-provision in respect of prior years	**20,242**	**50.0**	2,386	0.8
Others	**(3,018)**	**(7.6)**	(418)	(0.1)
Actual tax income/(expenses)	**37,344**	**92.3**	(41,128)	(13.7)

(c) Taxation in the balance sheet represents:

	The Group	
	2009	2008
	US$'000	US$'000
Hong Kong Profits Tax	**367**	10,302
Overseas taxation	**27,677**	28,815
Taxation payable	**28,044**	39,117
Amount of taxation payable expected to be settled after more than 1 year	**972**	1,184

9. DIRECTORS' REMUNERATION

Directors' emoluments comprises payments to Directors by the Company and its subsidiaries in connection with the management of the affairs of the Company and its subsidiaries. The amounts paid and payable to each Director of the Company for the year ended 30 June 2009 are as below:

	The Group				
Name	**Fees US$'000**	**Salaries, allowances and benefits in kind US$'000**	**Discretionary bonuses US$'000**	**Pension contributions US$'000**	**2009 Total emoluments US$'000**
Quek Leng Chan	**90**	**187**	**–**	**–**	**277**
Kwek Leng Hai	**81**	**754**	**99**	**60**	**994**
Sat Pal Khattar**	**103**	**–**	**–**	**–**	**103**
Kwek Leng San*	**28**	**–**	**–**	**–**	**28**
Tan Lim Heng	**–**	**405**	**–**	**1**	**406**
James Eng, Jr.	**–**	**480**	**54**	**–**	**534**
Volker Stoeckel**	**39**	**–**	**–**	**–**	**39**
Ding Wai Chuen**	**39**	**–**	**–**	**–**	**39**
	380	**1,826**	**153**	**61**	**2,420**

	The Group				
Name	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Discretionary bonuses US$'000	Pension contributions US$'000	2008 Total emoluments US$'000
Quek Leng Chan	170	182	–	–	352
Kwek Leng Hai	119	745	1,004	58	1,926
Sat Pal Khattar**	88	–	–	–	88
Kwek Leng San*	28	–	–	–	28
Tan Lim Heng	28	399	297	24	748
James Eng, Jr.	28	463	80	–	571
Volker Stoeckel**	39	–	–	–	39
Ding Wai Chuen**	39	–	–	–	39
	539	1,789	1,381	82	3,791

Notes:

* Non-executive director

** Independent non-executive director

10. EMOLUMENTS OF THE FIVE HIGHEST PAID INDIVIDUALS

Among the five highest paid individuals of the Group, one (2008: one) is a director whose remuneration is disclosed in note 9. The remuneration of the other four (2008: four) individuals is as follows:

	The Group	
	2009 US$'000	2008 US$'000
Salaries, allowances and benefits in kind	**1,982**	2,010
Discretionary bonuses	**623**	1,286
Share-based payments	**1,467**	1,894
Pension contributions	**122**	94
Compensation for loss of office	**296**	–
	4,490	5,284

The number of individuals whose remuneration falls within the following bands is:

	The Group	
US$	**2009 Number of individuals**	2008 Number of individuals
650,000 – 700,000	**1**	–
800,001 – 850,000	**–**	1
850,001 – 900,000	**1**	–
1,000,001 – 1,050,000	**1**	1
1,200,001 – 1,250,000	**–**	1
1,950,000 – 2,000,000	**1**	–
2,200,001 – 2,250,000	**–**	1
	4	4

11. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to shareholders of the Company includes a profit of US$11,768,000 (2008: US$386,220,000) which has been dealt with in the financial statements of the Company.

12. DIVIDENDS

	The Group		The Company	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
Year 2007/2008: Final dividend paid of HK$3.00 per ordinary share (Year 2006/2007: HK$3.30 per ordinary share)	**125,745**	137,741	**127,300**	139,448
Year 2008/2009: Interim dividend paid of HK$0.50 per ordinary share (Year 2007/2008: HK$1.00 per ordinary share)	**20,960**	41,824	**21,221**	42,340
	146,705	179,565	**148,521**	181,788
Year 2008/2009: Proposed final dividend of HK$1.50 per ordinary share (Year 2007/2008: HK$3.00 per ordinary share)	**63,687**	126,575	**63,687**	126,575

The proposed final dividend for the year ended 30 June 2009 of US$63,687,000 (2008: US$126,575,000) is calculated based on 329,051,373 ordinary shares (2008: 329,051,373 ordinary shares) in issue as at 30 June 2009.

13. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company of US$61,364,000 (2008: US$188,191,000) and the weighted average number of 325,024,511 ordinary shares (2008: 325,024,511 ordinary shares) in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share for the year ended 30 June 2009 equals to the basic earnings per share as the potential ordinary shares outstanding during the year have an anti-dilutive effect on the basic earnings per share for the year.

The calculation of diluted earnings per share for the year ended 30 June 2008 was based on the profit attributable to shareholders of the Company of US$186,058,000 and the weighted average number of 325,024,511 ordinary shares in issue during the year after adjusting for the effect of all dilutive potential ordinary shares.

14. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because that is more relevant to the Group's internal financial reporting.

Business Segments

For the year ended 30 June 2009

	Principal investment US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Inter-segment elimination US$'000	Total US$'000
Turnover	1,789,208	688,229	18,643	6,437	345,269	–	–	2,847,786
Revenue	89,353	688,229	18,643	6,437	345,269	–	–	1,147,931
Inter-segment revenue	12,563	–	1,007	621	–	–	(14,191)	–
	101,916	688,229	19,650	7,058	345,269	–	(14,191)	1,147,931
Contribution from operations	(80,362)	82,430	10,161	536	44,714	33,419	–	90,898
Unallocated income								23,390
Unallocated expenses								(2,342)
Profit from operations before finance cost								111,946
Finance cost								(66,386)
Profit from operations								45,560
Valuation deficit on investment properties	–	–	(59,705)	–	–	–	–	(59,705)
Share of profits of associates	54,433	998	–	–	(1)	–	–	55,430
Share of losses of jointly controlled entities	–	(845)	–	–	–	–	–	(845)
Profit for the year before taxation								40,440
Tax income								37,344
Profit for the year								77,784

14. SEGMENT INFORMATION (cont'd)

Business Segments (cont'd)

For the year ended 30 June 2008

	Principal investment US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Inter-segment elimination US$'000	Total US$'000
Turnover	1,812,796	400,478	17,825	15,587	473,068	–	–	2,719,754
Revenue	192,372	400,478	17,825	15,587	473,068	–	–	1,099,330
Inter-segment revenue	180,080	–	970	97	–	–	(181,147)	–
	372,452	400,478	18,795	15,684	473,068	–	(181,147)	1,099,330
Contribution from operations	59,103	85,643	10,794	7,210	74,883	37,387	–	275,020
Unallocated income								7,314
Unallocated expenses								(12,290)
Profit from operations before finance cost								270,044
Finance cost								(117,315)
Profit from operations								152,729
Valuation surplus on investment properties	–	–	70,359	–	–	–	–	70,359
Profit on partial disposal of an associate	12,128	–	–	–	–	–	–	12,128
Profit on disposal of investment properties	–	–	4,296	–	–	–	–	4,296
Share of profits of associates	55,486	472	–	–	–	–	–	55,958
Share of profits less losses of jointly controlled entities	3,962	341	302	–	–	–	–	4,605
Profit for the year before taxation								300,075
Tax expenses								(41,128)
Profit for the year								258,947

14. SEGMENT INFORMATION (cont'd)

Business Segments (cont'd)

Assets and liabilities

	Principal investment US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Other operations US$'000	Total US$'000
As at 30 June 2009								
Segment assets	**3,359,860**	**3,631,508**	**290,113**	**55,993**	**1,427,859**	**117,478**	**–**	**8,882,811**
Interest in associates	**379,819**	**7,059**	**–**	**–**	**202**	**–**	**–**	**387,080**
Interest in jointly controlled entities	**–**	**36,085**	**3,470**	**–**	**–**	**–**	**59,608**	**99,163**
Unallocated assets								**161,714**
Total assets								**9,530,768**
Segment liabilities	**133,437**	**1,861,701**	**4,330**	**27,956**	**594,420**	**131**	**–**	**2,621,975**
Unallocated liabilities								**745,039**
Total liabilities								**3,367,014**
As at 30 June 2008								
Segment assets	3,449,031	3,808,901	374,032	47,210	1,696,247	150,283	–	9,525,704
Interest in associates	361,082	8,058	–	–	219	–	–	369,359
Interest in jointly controlled entities	–	37,913	3,726	–	–	–	65,387	107,026
Unallocated assets								258,978
Total assets								10,261,067
Segment liabilities	164,297	2,047,597	5,716	19,552	768,528	296	–	3,005,986
Unallocated liabilities								760,960
Total liabilities								3,766,946

Other information

	Principal investment US$'000	Property development US$'000	Property investment US$'000	Securities, commodities and brokerage US$'000	Hotel and gaming operations US$'000	Oil and gas US$'000	Other operations US$'000	Total US$'000
2009								
Capital expenditure incurred during the year	**875**	**2,866**	**–**	**87**	**47,311**	**–**	**–**	**51,139**
Depreciation and amortisation for the year	**1,177**	**607**	**2**	**201**	**24,007**	**5,653**	**–**	**31,647**
2008								
Capital expenditure incurred during the year	1,413	15,677	977	111	46,155	–	–	64,333
Depreciation and amortisation for the year	1,081	435	36	212	26,867	6,863	–	35,494

14. SEGMENT INFORMATION (cont'd)

Geographical Segments

	Revenue		Profit/(loss) from operations	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
Hong Kong	**80,808**	143,762	**(38,860)**	1,475
United Kingdom	**338,329**	459,324	**12,265**	24,784
Singapore	**646,686**	80,098	(Note) **64,334**	29,970
The People's Republic of China ("PRC") & others	**82,108**	416,146	(Note) **7,821**	96,500
	1,147,931	1,099,330	**45,560**	152,729

	Segment assets		Capital expenditure	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
Hong Kong	**3,381,350**	3,463,462	**351**	332
United Kingdom	**1,389,687**	1,641,414	**33,519**	46,155
Singapore	**1,709,139**	2,186,361	**316**	814
The People's Republic of China ("PRC") & others	**3,050,592**	2,969,830	**16,953**	17,032
	9,530,768	10,261,067	**51,139**	64,333

Note:

In accordance with applicable Hong Kong Financial Reporting Standards, at Group level we have recognised revenue arising from the pre-sale of properties upon completion of development projects instead of using the percentage of completion method adopted by GuocoLand Limited ("GLL") as permitted under the relevant Singapore Accounting Standards. Accordingly, operating profits of GLL for the year amounting to US$4.2 million (2008: US$29.9 million) and US$16.7 million (2008: US$2.3 million) in Singapore and PRC & other regions respectively have been deferred for recognition in the Group accounts. The Group has recognised operating profits of GLL which have been deferred in previous years amounting to US$38.4 million (2008: US$nil) and US$2.3 million (2008: US$48.9 million) in Singapore and PRC & other regions respectively for those development projects completed during the year. Up to 30 June 2009, accumulated operating profits of GLL totalling US$4.9 million (2008: US$40.1 million) in Singapore and US$17.6 million (2008: US$3.9 million) in PRC & other regions have been deferred for recognition, which will be recognised by the Group upon completion of the relevant development projects in subsequent years.

15. FIXED ASSETS

	The Group					
	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Cost or valuation						
At 1 July 2007	278,027	933,395	536,684	443,041	1,913,120	2,191,147
Additions through acquisition of subsidiaries	–	–	–	339	339	339
Additions	–	9,281	19,035	36,017	64,333	64,333
Disposals and written off	(18,870)	(19,075)	–	(9,249)	(28,324)	(47,194)
Surplus on revaluation	70,359	–	–	–	–	70,359
Exchange adjustments	31,332	(2,185)	439	4,956	3,210	34,542
At 30 June 2008	360,848	921,416	556,158	475,104	1,952,678	2,313,526
Representing:						
Cost	–	921,416	556,158	475,104	1,952,678	1,952,678
Valuation – 2008	360,848	–	–	–	–	360,848
	360,848	921,416	556,158	475,104	1,952,678	2,313,526
At 1 July 2008	360,848	921,416	556,158	475,104	1,952,678	2,313,526
Additions through acquisition of subsidiaries	–	–	–	93	93	93
Additions	–	23,985	8,225	18,929	51,139	51,139
Disposals and written off	–	(35)	–	(1,518)	(1,553)	(1,553)
Deficit on revaluation	(59,705)	–	–	–	–	(59,705)
Exchange adjustments	(21,086)	(145,849)	(85,613)	(76,799)	(308,261)	(329,347)
At 30 June 2009	280,057	799,517	478,770	415,809	1,694,096	1,974,153
Representing:						
Cost	–	799,517	478,770	415,809	1,694,096	1,694,096
Valuation – 2009	280,057	–	–	–	–	280,057
	280,057	799,517	478,770	415,809	1,694,096	1,974,153

15. FIXED ASSETS (cont'd)

	The Group					
	Investment properties US$'000	Interests in leasehold land and buildings US$'000	Freehold land and buildings US$'000	Furniture, fixtures and equipment US$'000	Other property, plant and equipment US$'000	Total US$'000
Accumulated amortisation and depreciation						
At 1 July 2007	–	35,686	3,939	323,250	362,875	362,875
Additions through acquisition of subsidiaries	–	–	–	189	189	189
Charge for the year	–	5,047	514	23,070	28,631	28,631
Written back on disposals and written off	–	(14,728)	–	(8,272)	(23,000)	(23,000)
Exchange adjustments	–	(89)	2	5,126	5,039	5,039
At 30 June 2008	–	25,916	4,455	343,363	373,734	373,734
At 1 July 2008	–	25,916	4,455	343,363	373,734	373,734
Additions through acquisition of subsidiaries	–	–	–	39	39	39
Charge for the year	–	4,758	3,220	18,016	25,994	25,994
Written back on disposals and written off	–	(35)	–	(1,243)	(1,278)	(1,278)
Exchange adjustments	–	(2,443)	(576)	(55,161)	(58,180)	(58,180)
At 30 June 2009	–	28,196	7,099	305,014	340,309	340,309
Net book value						
At 30 June 2009	280,057	771,321	471,671	110,795	1,353,787	1,633,844
At 30 June 2008	360,848	895,500	551,703	131,741	1,578,944	1,939,792

15. FIXED ASSETS (cont'd)

(a) The analysis of net book value of properties is as follows:

	The Group	
	2009 **US$'000**	2008 US$'000
In Hong Kong:		
– Leasehold with between 10 to 50 years unexpired	**35,030**	45,274
– Leasehold with less than 10 years unexpired	**–**	4
Outside Hong Kong:		
– Leasehold with over 50 years unexpired	**1,003,624**	1,195,987
– Freehold	**484,395**	566,786
	1,523,049	1,808,051

(b) The Group's investment properties are located in Hong Kong, Singapore and Malaysia. The properties which are located in Singapore were valued on an open market basis as at 30 June 2009 by CB Richard Ellis Limited, an independent firm of professional valuers, who are members of the Singapore Institute of Surveyors and Valuers. The properties in Malaysia were revalued on an open market basis as at 30 June 2009 by Burgess Rawson Sdn Bhd, an independent firm of professional valuers which is registered with the Board of Valuers, Appraisers and Estate Agents, Malaysia. The properties in Hong Kong were revalued on an open market basis as at 30 June 2009 by CB Richard Ellis Limited, an independent firm of professional valuers, who are members of the Hong Kong Institute of Surveyors.

(c) Certain of the Group's properties with a book value of US$719.1 million (2008: US$1,170.4 million) were pledged for bank loans and mortgage debenture stock.

(d) The Group leases out investment properties under operating leases. The leases typically run for an initial period of one to three years. None of the leases includes contingent rentals. The gross carrying amounts of investment properties of the Group held for use in operating leases were US$280.1 million (2008: US$360.8 million).

(e) All properties held under operating leases that would otherwise meet the definition of investment properties are classified as investment properties.

16. INTANGIBLE ASSETS

	The Group		
	Casino licenses and brand name US$'000	Bass Strait oil and gas royalty US$'000	Total US$'000
Cost			
At 1 July 2007	59,142	160,830	219,972
Exchange adjustments	988	21,841	22,829
At 30 June 2008	60,130	182,671	242,801
At 1 July 2008	60,130	182,671	242,801
Exchange adjustments	(9,962)	(28,778)	(38,740)
At 30 June 2009	50,168	153,893	204,061
Accumulated amortisation			
At 1 July 2007	–	31,919	31,919
Charge for the year	–	6,863	6,863
Exchange adjustments	–	4,792	4,792
At 30 June 2008	–	43,574	43,574
At 1 July 2008	–	43,574	43,574
Charge for the year	–	5,653	5,653
Exchange adjustments	–	(6,350)	(6,350)
At 30 June 2009	–	42,877	42,877
Net book value			
At 30 June 2009	50,168	111,016	161,184
At 30 June 2008	60,130	139,097	199,227

The Bass Strait oil and gas royalty represents the Group's interest in the Bass Strait Oil Trust. It is stated at cost less accumulated amortisation and impairment losses. The cost is amortised on a straight-line basis so that the amortisation charge for the year is included in administrative and other operating expenses in the consolidated income statement so as to write off the cost over its estimated useful lives of 25 years.

The casino licenses and brand name are with infinite useful lives and are stated at cost less provision for impairment losses.

17. INTEREST IN SUBSIDIARIES

	The Company	
	2009	2008
	US$'000	US$'000
Unlisted shares	**24,624**	24,624
Amounts due from subsidiaries	**1,485,807**	1,519,453
	1,510,431	1,544,077
Amounts due to subsidiaries	**428,610**	560,623

As at 30 June 2009, amount due from a subsidiary of US$3,570,000 (2008: US$3,804,000) bears interest at 0.68% (2008: 1.37%) per annum and is unsecured and has no fixed repayment term. The remaining outstanding balances are unsecured, interest free and have no fixed repayment term.

The amounts due to subsidiaries are unsecured, interest free and have no fixed repayment term.

(a) Details of the principal subsidiaries incorporated and operating in Hong Kong are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Asia Fountain Investment Company Limited	2 shares of HK$10 each	–	100	Investment trading
BIL (Far East Holdings) Limited	635,855,324 shares of HK$1 each	–	56	Investment holding
GuocoCapital Limited (formerly known as Dao Heng Securities Limited)	120,000 shares of HK$100 each	–	100	Stockbroking and securities trading
GuocoCommodities Limited (formerly known as Dao Heng Commodities Limited)	100,000 shares of HK$100 each	–	100	Commodities broking
GuocoEquity Assets Limited	23,000,000 shares of HK$1 each	100	100	Investment holding
GuoSon Lifestyle Assets Limited	1 share of HK$1 each	–	65	Investment holding
Guoco Management Company Limited	2 shares of HK$1 each	100	100	Provision of general management services
Guoco Investments (China) Limited	10,000,000 shares of HK$1 each	100	100	Investment holding

17. INTEREST IN SUBSIDIARIES (cont'd)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Branmil Holdings Pte Ltd	2 shares of S$1 each	–	65	Investment holding
Chelford Pte Ltd	2 shares of S$1 each	–	65	Investment holding
Cheltenham Investments Pte Ltd	500,000 shares of S$1 each	–	65	Investment holding
Da Zhong Investment Pte Ltd	1,000,000 shares of S$1 each	–	65	Investment holding
Elliot Development Pte Ltd (formerly known as Hedover Holdings Pte Ltd)	16,000,000 shares of S$1 each	–	65	Property development
Everian Holdings Pte Ltd	22,500,000 shares of S$1 each	–	65	Property development
First Bedok Land Pte Ltd	78,400,000 shares of S$1 each	–	65	Property development
First Capital Realty Pte Ltd	30,000,000 shares of S$1 each	–	65	Property development
First Coventry Development Pte Ltd	13,000,000 shares of S$1 each	–	65	Property development
First Garden Development Pte Ltd	70,000,000 shares of S$1 each	–	59	Property development
First Meyer Development Pte Ltd	118,930,000 shares of S$1 each	–	65	Property development
GLL IHT Pte Ltd	10,000,000 shares of S$1.0083 each	–	65	Investment trading
GLL Land Pte Ltd	70,000,000 shares of S$1 each	–	65	Property investment
GLL (Malaysia) Pte Ltd	58,000,000 shares of S$1 each	–	65	Investment holding
GLL Ventures Pte Ltd	13,000,000 shares of S$1 each	–	65	Property development
Goodwood Residence Development Pte Ltd	90,300,000 shares of S$1 each	–	65	Property development
Guoco Assets Pte Ltd	2 shares of S$1 each	100	100	Investment holding
Guoco Investment Services Pte Ltd	50,000 shares of S$1 each	–	100	Provision of investment advisory services

17. INTEREST IN SUBSIDIARIES (cont'd)

(b) Details of the principal subsidiaries incorporated and operating in Singapore are as follows: (cont'd)

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Guoco Property Management Pte Ltd	2 shares of S$1 each	–	65	Property management
GuocoLand Limited	887,529,957 shares of S$1.57 each	–	65	Investment holding
GuocoLand Assets Pte Ltd	20,000,000 shares of S$1 each	100	100	Investment holding
GuocoLand Management Pte Ltd	500,000 shares of S$1 each	–	65	Provision of management services
GuocoLand Property Management Pte Ltd	2 shares of S$1 each	–	65	Property management, marketing and maintenance services
GuocoLand Retail Management Pte Ltd	1,000,000 shares of S$1 each	–	65	Provision of management services
GuocoLand (Singapore) Pte Ltd	195,000,000 shares of S$1 each	–	65	Investment holding
GuocoLand Vietnam (S) Pte Ltd	1 share of S$1 each	–	65	Investment holding
GuocoLeisure Management Pte Ltd	2 shares of S$1 each	–	56	Management company
Leonie Land Pte Ltd	6,310,000 shares of S$1 each	–	65	Property development
My Home Online Pte Ltd	10 shares of S$1 each	–	65	Provider of internet commerce services
Rivaldo Investments Pte Ltd	158,000,000 shares of S$1 each	–	65	Property development
Sanctuary Land Pte Ltd	100,000 shares of S$1 each	–	59	Property development
Sophia Residence Development Pte Ltd	91,600,000 shares of S$1 each	–	65	Property development
Winterhall Pte Ltd	14,400,000 shares of S$1 each	–	65	Property development

17. INTEREST IN SUBSIDIARIES (cont'd)

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows:

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Ace Acres Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Property development
Astute Modernization Sdn. Bhd.	2,000,000 shares of RM1 each	–	44	Investment holding
Bedford Development Sdn. Bhd.	88,499,000 shares of RM1 each	–	44	Investment holding and property development
Bedford Industrial Development Sdn. Bhd.	8,870,000 shares of RM1 each	–	44	Property development
Bedford Land Sdn. Bhd.	90,000,000 shares of RM1 each	–	44	Investment holding
BLV Fashions Sdn. Bhd.	37,300,000 shares of RM1 each	–	44	Property investment
Damansara City Sdn. Bhd.	20,000,000 shares of RM1 each	–	44	Property development
Guobena Development Sdn. Bhd.	46,000,000 shares of RM0.8 each	–	44	Property investment
Guoco Assets Sdn. Bhd.	2 shares of RM1 each	100	100	Investment holding
GuocoLand (Malaysia) Berhad	700,458,518 shares of RM0.5 each	–	44	Investment holding and provision of management services
Guoman Hotel & Resort Holdings Sdn. Bhd.	277,000,000 shares of RM1 each	–	51	Investment holding
Guoman International Sdn. Bhd.	4,600,000 shares of RM1 each	–	51	Provision of technical and management services
GLM Property Management Co Sdn. Bhd. (formerly known as Hong Leong Property Management Co Sdn. Bhd.)	50,000 shares of RM1 each	–	44	Provision of property management services
GLM Property Services Sdn. Bhd. (formerly known as Hong Leong Property Services Sdn. Bhd.)	200,000 shares of RM1 each	–	44	Provision of property management services

17. INTEREST IN SUBSIDIARIES (cont'd)

(c) Details of the principal subsidiaries incorporated and operating in Malaysia are as follows: (cont'd)

Name of Company	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
GLM REIT Management Sdn. Bhd.	1,000,000 shares of RM1 each	–	44	Provision of management services
HL Bandar Sdn. Bhd.	30,000,000 shares of RM1 each	–	44	Property investment
HLP Equities Sdn. Bhd.	370,000 shares of RM1 each	–	44	Investment holding
Hong Leong Housing Sdn. Bhd.	20,000,000 shares of RM1 each	–	44	Provision of construction management services
Hong Leong Real Estate Holdings Sdn. Bhd.	160,000,000 shares of RM1 each	–	44	Investment holding
JB Parade Sdn. Bhd.	40,000,000 shares of RM1 each	–	35	Investment holding and hotel operations
Kiapeng Development Sdn. Bhd.	160,000,000 shares of RM1 each	–	51	Property development and property investment
Pembinaan Sri Jati Sdn. Bhd.	20,000,000 shares of RM1 each	–	44	Investment holding and property development
PD Resort Sdn. Bhd.	100,000,000 shares of RM1 each	–	51	Property investment and development and hotel operations
Raikon Building Management Co Sdn. Bhd.	500,000 shares of RM1 each	–	44	Provision of property management services
Sabna Development Sdn. Bhd.	50,000,000 shares of RM1 each	–	44	Property development
Titan Debut Sdn. Bhd.	3,000,000 shares of RM1 each	–	44	Acquire, enhance and resale of properties

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Asian Financial Common Wealth (PTC) Limited (formerly known as Asian Financial Common Wealth Limited) (Note (iii))	British Virgin Islands	1 share of US$1 each	–	100	Provision of trustee service
Beijing Cheng Jian Donghua Real Estate Development Co., Ltd (Note (i) & (viii))	The People's Republic of China	RMB50,000,000 (Note (ii))	–	59	Property development
Beijing Jiang Sheng Property Development Co., Ltd (Note (i) & (viii))	The People's Republic of China	RMB250,000,000 (Note (ii))	–	65	Property development
Beijing Minghua Property Development Co., Ltd (Note (i) & (viii))	The People's Republic of China	RMB200,000,000 (Note (ii))	–	49	Property development
BIL Asia Group Treasury Limited (Note (v))	British Virgin Islands	100 shares of NZD1 each	–	56	Financing company
BIL Australia Pty Limited	Australia	1 share of AUD1 each	–	56	Investment holding
BIL Finance Limited	New Zealand	100 shares of NZD1 each	–	56	Investment holding
BIL NZ Treasury Limited	New Zealand	200,100 shares of NZD1,000 each	–	56	Investment holding
Brightspring Holdings Limited	British Virgin Islands	1 share of US$1 each	100	100	Investment holding
Capital Intelligence Limited (Note (iii))	Cayman Islands	1 share of US$1 each	–	100	Investment trading
Clermont Leisure (UK) Limited	United Kingdom	50,000,000 shares of GBP1 each	–	56	Gaming
Fresco Resources Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Investment holding
Guoco Assets (Philippines), Inc.	The Philippines	1,210,000 shares of P100 each	–	100	Investment holding
Guoco Securities (Bermuda) Limited	Bermuda	120,000 shares of US$0.1 each	100	100	Investment holding
GuocoLand Binh Duong Property Co., Ltd	Vietnam	VND251,108,438,781 (Note (ii))	–	65	Property development
GuocoLand (China) Limited	Bermuda	20,000,000 shares of US$1 each	–	65	Investment holding

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
GuocoLeisure Limited	Bermuda	1,368,063,633 shares of US$0.2 each	–	56	Hotel and property management
GuocoLeisure Assets Limited	Cayman Islands	1 share of US$1 each	100	100	Investment holding
GuocoLeisure (UK) Limited	United Kingdom	2 shares of GBP1 each	–	56	Investment holding
Guoman Hotels Group Limited (Note (v))	Bermuda	1 share of US$1 each	–	56	Investment holding
Guoman Hotels Limited (Note (vi))	Bermuda	12,000 shares of US$1 each	–	51	Investment holding
Guoman Hotels Limited	United Kingdom	310,545,212 shares of GBP0.26 each	–	56	Ownership and operation of hotels in UK
Guoman International Limited (Note (vi))	Jersey Channel Islands	90,000 shares of GBP1 each	–	51	Investment holding, provision of technical and management services
GuoSon Lifestyle Retail (Beijing) Ltd (Note (i) & (vii))	The People's Republic of China	US$11,600,000 (Note (ii))	–	65	Trading and consulting
GuoSon Investment Company Limited (Note (i) & (vii))	The People's Republic of China	US$30,000,000 (Note (ii))	–	65	Investment holding
Hainan Jing Hao Asset Ltd (Note (i) & (vii))	The People's Republic of China	RMB10,000,000 (Note (ii))	–	65	Investment holding
Hong Way Holdings, Inc.	The Philippines	100,000 shares of P1 each	–	100	Investment holding
Ma Sing Investments Limited (Note (iv))	British Virgin Islands	407,174,860 shares of AUD1 each	–	56	Investment holding
Molokai Properties Limited	United States of America	100 shares of US$2 each	–	56	Investment holding
Nanjing Mahui Property Development Co., Ltd. (Note (i) & (viii))	The People's Republic of China	RMB286,000,000 (Note (ii))	–	62	Property development
Nanjing Xinhaoning Property Development Co., Ltd (Note (i) & (viii))	The People's Republic of China	US$11,920,000 (Note (ii))	–	65	Property development
Nanjing Xinhaoxuan Property Development Co., Ltd (Note (i) & (viii))	The People's Republic of China	US$11,920,000 (Note (ii))	–	65	Property development
Oceanease Limited	Cayman Islands	1 share of US$1 each	–	100	Investment trading

17. INTEREST IN SUBSIDIARIES (cont'd)

(d) Details of the principal subsidiaries incorporated and operating in other countries are as follows: (cont'd)

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Company	Percentage held by the Group	Principal activities
Reunification Properties Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	–	100	Investment holding
Shanghai Xinhaolong Property Development Co., Ltd (Note (i) & (vii))	The People's Republic of China	US$126,000,000 (Note (ii))	–	65	Property development
Shanghai Xinhaozhong Property Development Co., Ltd (Note (i) & (viii))	The People's Republic of China	US$20,000,000 (Note (ii))	–	64	Property development
Supreme Goal Investments Limited (Note (iii))	British Virgin Islands	1 share of US$1 each	100	100	Property investment
Tabua Investments Limited	Fiji	2 shares of FJD1 each	–	56	Investment holding
Tianjin Zhong Xin Ming Shi Real Estate Development Co., Ltd (Note (i) & (vii))	The People's Republic of China	RMB510,000,000 (Note (ii))	–	65	Property development
Wayforward Services Limited (Note (v))	British Virgin Islands	1 share of US$1 each	–	56	Investment holding

Notes:

(i) These companies have a financial year end of 31 December.

(ii) These comprise capital contribution to the companies. These companies have a defined period of existence.

(iii) These companies are operating in Hong Kong.

(iv) These companies are operating in Australia.

(v) These companies are operating in United Kingdom.

(vi) These companies are operating in Malaysia.

(vii) These companies are foreign capital enterprise.

(viii) These companies are sino-foreign equity joint venture enterprise.

18. INTEREST IN ASSOCIATES

	The Group 2009 US$'000	The Group 2008 US$'000
Share of net assets		
Listed shares, overseas	**405,188**	386,452
Unlisted	**78**	78
Goodwill	**12,092**	12,092
	417,358	398,622
Amounts due from associates	**7,184**	8,199
	424,542	406,821
Less: Impairment loss	**(37,462)**	(37,462)
	387,080	369,359

The market value of the listed investments at 30 June 2009 was US$422.6 million (2008: US$465.0 million).

The amounts due from associates are unsecured, interest free and have no fixed repayment terms.

Details of the principal associates are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Group	Principal activities
Crawforn Pte Ltd	Singapore	1,000,000 shares of S$1 each	26	Property development
First Capital Property Ventures Pte Ltd	Singapore	100 shares of S$1 each	23	Investment holding
Hong Leong Financial Group Berhad	Malaysia	1,052,767,789 shares of RM1 each	25	Financial services
Pepsi-Cola Products Philippines, Inc.	The Philippines	3,693,772,279 shares of P0.15 each	30	Manufacturing, sales and distribution of beverages
Razgrad Pte Ltd	Singapore	1,000,000 shares of S$1 each	26	Property development
Stockton Investments Pte Ltd	Singapore	10,000 shares of S$1 each	25	Investment holding
Tiara Investment Holdings Limited	Mauritius	6,500,000 shares of US$1 each	26	Investment holding
Tower Real Estate Investment Trust	Malaysia	280,500,000 shares of RM1.0366 each	9	Real estate investment trust

18. INTEREST IN ASSOCIATES (cont'd)

The summarised financial information in respect of the Group's associates is set out below:

	The Group	
	2009 US$'000	2008 US$'000
Total assets	**24,960,653**	25,992,077
Total liabilities	**(22,758,992)**	(23,850,642)
	2,201,661	2,141,435
Minority interests	**(641,339)**	(624,477)
Net assets	**1,560,322**	1,516,958
Group's share of associates' net assets	**405,266**	386,530
Turnover	**1,464,324**	1,545,853
Profit for the year	**218,470**	186,676
Group's share of associates' profits for the year	**55,430**	55,958

19. INTEREST IN JOINTLY CONTROLLED ENTITIES

	The Group	
	2009 US$'000	2008 US$'000
Share of net assets – unlisted	**95,986**	104,573
Amounts due from jointly controlled entities	**3,177**	2,453
	99,163	107,026

The amounts due from jointly controlled entities are unsecured, interest free and have no fixed repayment terms.

Details of principal jointly controlled entities are as follows:

Name of Company	Country of incorporation and operation	Issued and paid up ordinary share capital	Percentage held by the Group	Principal activities
Bedford Damansara Heights Development Sdn. Bhd.	Malaysia	84,000,000 shares of RM1 each	22	Investment holding
Continental Estates Sdn. Bhd.	Malaysia	50,600,000 shares of RM1 each	22	Property development and operation of an oil palm estate
Kota Selatan Indah Sdn. Bhd.	Malaysia	30,000,000 shares of RM1 each	22	Property development
Positive Properties Sdn. Bhd.	Malaysia	23,120,000 shares of RM1 each	22	Property investment
Promakmur Development Sdn. Bhd.	Malaysia	90,000,000 shares of RM1 each	22	Property development
Vintage Heights Sdn. Bhd.	Malaysia	140,000,000 shares of RM1 each	21	Property development and operation of an oil palm estate

19. INTEREST IN JOINTLY CONTROLLED ENTITIES (cont'd)

Summary financial information on jointly controlled entities – Group's effective interest:

	The Group	
	2009 US$'000	2008 US$'000
Non-current assets	**116,980**	5,018
Current assets	**25,145**	148,607
Non-current liabilities	**(31,029)**	(30,756)
Current liabilities	**(15,110)**	(18,296)
Net assets	**95,986**	104,573
Income	**9,907**	20,379
Expenses	**(10,752)**	(15,774)
(Losses)/profits for the year	**(845)**	4,605

20. ACQUISITION OF SUBSIDIARIES

On 1 July 2008, GuocoLand (Malaysia) Berhad, an indirect subsidiary of the Company, acquired a 100% interest in Raikon Building Management Co Sdn Bhd for a cash consideration of RM1.8 million. The principal activity of Raikon is the provision of property management services.

The aggregate net assets acquired in the above acquisitions are as follows:

	Acquiree's carrying value US$'000
Net assets acquired:	
Property, plant and equipment	54
Trade and other receivables	99
Cash and short term funds	469
Trade and other payables	(97)
Total consideration	525

The impact of the acquisition on the Group's net profit from the date of acquisition to 30 June 2009 is not material.

21. HELD-TO-MATURITY FINANCIAL ASSETS

	The Company	
	2009 US$'000	2008 US$'000
Unlisted debt securities	**159,134**	171,463

The unlisted debt securities represent fixed rate notes issued by a wholly-owned subsidiary of the Company, which bear interest at 8.2% per annum and are unsecured and are with repayment term of 4 years.

22. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2009	2008	**2009**	2008
	US$'000	US$'000	**US$'000**	US$'000
Equity securities				
Listed				
– In Hong Kong	**286,504**	–	**–**	–
– Outside Hong Kong	**119,217**	106,088	**–**	–
Unlisted	**8,089**	12,129	**–**	–
	413,810	118,217	**–**	–
Unit Trust				
Unlisted	**–**	2,449	**–**	–
Club and other debentures	**451**	451	**203**	203
Investment in partnership	**20,095**	19,969	**–**	–
	434,356	141,086	**203**	203
Market value of listed equity securities	**405,721**	106,088	**–**	–

23. GOODWILL

	The Group
	US$'000
Cost:	
At 1 July 2007	29,192
Additions during the year	4,915
Exchange adjustments	61
At 30 June 2008	34,168
At 1 July 2008	34,168
Exchange adjustments	(265)
At 30 June 2009	33,903

In accordance with the Group's accounting policy, the carrying value of goodwill was tested for impairment as at 30 June 2009 and 30 June 2008. The results of the tests indicated no impairment charge was necessary.

24. DEVELOPMENT PROPERTIES

	The Group	
	2009	2008
	US$'000	US$'000
Cost as at 30 June	**3,131,873**	3,897,551
Less: Impairment loss	**(17,806)**	(31,569)
Progress instalments received and receivable	**(153,242)**	(426,106)
	2,960,825	3,439,876

The carrying amounts of development properties were written down based on their estimated selling prices.

Certain of the Group's development properties with book value of US$1,647.2 million (2008: US$2,047.4 million) were pledged for bank loans and mortgage debenture stock.

25. PROPERTIES HELD FOR SALE

	The Group	
	2009	2008
	US$'000	US$'000
As at 1 July	**26,903**	34,279
Additions	**8,638**	–
Transfer from/(to) development properties	**264,724**	(834)
Disposals	**(34,313)**	(14,384)
	265,952	19,061
Add: (Provision)/write-back for foreseeable loss	**(261)**	3,846
Exchange adjustments	**(3,124)**	3,996
As at 30 June	**262,567**	26,903

26. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009	2008	**2009**	2008
	US$'000	US$'000	**US$'000**	US$'000
Trade debtors	**153,657**	109,516	**–**	–
Deposits and prepayments	**95,384**	103,102	**110**	51
Derivative financial instruments, at fair value	**799**	572	**–**	–
Interest receivables	**825**	2,865	**1,747**	3,974
	250,665	216,055	**1,857**	4,025

Included in the Group's trade and other receivables are amounts of US$8.1 million (2008: US$9.2 million) which are expected to be recovered after more than one year.

26. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Ageing analysis

Included in trade and other receivables are trade debtors (net of allowance for bad and doubtful debts) with the following ageing analysis as of the balance sheet date:

	The Group	
	2009	2008
	US$'000	US$'000
Current	**97,326**	82,001
1 to 3 months	**33,122**	17,693
More than 3 months	**23,209**	9,822
	153,657	109,516

(b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly.

The balance and the movement of the allowance for bad and doubtful debts as at 30 June 2009 and 2008 are not significant.

(c) Trade debtors that are not impaired

The ageing analysis of trade debtors that is neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2009	2008
	US$'000	US$'000
Neither past due nor impaired	**124,847**	62,916
Less than 1 month past due	**7,144**	5,887
1 to 3 months past due	**3,891**	12,391
More than 3 months past due	**9,550**	8,912
	20,585	27,190
	145,432	90,106

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as these are considered fully recoverable. The Group does not hold any collateral over these balances.

27. TRADING FINANCIAL ASSETS

	The Group	
	2009 US$'000	2008 US$'000
Debt securities		
Listed – Outside Hong Kong (at market value)	**13,016**	–
Unlisted	**1,957**	–
	14,973	–
Equity securities		
Listed (at market value)		
– In Hong Kong	**2,171**	7,206
– Outside Hong Kong	**327,912**	511,772
	330,083	518,978
Unit trusts		
Unlisted	**14,808**	14,527
	359,864	533,505

28. CASH AND SHORT TERM FUNDS

	The Group		The Company	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
Deposits with banks	**2,732,920**	3,117,072	**2,443,282**	2,667,838
Cash at bank and in hand	**211,322**	136,838	**390**	2,041
Cash and cash equivalents in the balance sheet and consolidated cash flow statement	**2,944,242**	3,253,910	**2,443,672**	2,669,879

29. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009 US$'000	2008 US$'000	**2009 US$'000**	2008 US$'000
Trade creditors	**89,392**	98,300	**–**	–
Other payables and accrued operating expenses	**603,842**	591,251	**541**	610
Derivative financial instruments, at fair value	**5,407**	3,319	**–**	–
Amounts due to fellow subsidiaries	**3,846**	5,515	**–**	5,515
Amounts due to associates	**32**	35	**–**	–
Amounts due to jointly controlled entities	**291**	1,090	**–**	–
	702,810	699,510	**541**	6,125

Included in trade and other payables of the Group and the Company are amounts of US$39.5 million (2008: US$8.9 million) and US$0.3 million (2008: US$0.3 million) respectively which are expected to be settled after more than one year.

Included in trade and other payables are trade creditors with the following ageing analysis as of the balance sheet date:

	The Group	
	2009 US$'000	2008 US$'000
Due within 1 month or on demand	**68,724**	79,811
Due after 1 month but within 3 months	**14,729**	10,003
Due after 3 months	**5,939**	8,486
	89,392	98,300

The amounts due to fellow subsidiaries, associates and jointly controlled entities are unsecured, interest free and have no fixed repayment terms.

30. CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS

	The Group	
	2009 US$'000	2008 US$'000
Bank loans		
– Secured	**41,971**	186,529
– Unsecured	**407,947**	382,989
	449,918	569,518
Unsecured medium term notes repayable within 1 year	**55,281**	191,395
Convertible bonds (note 32)	**235,191**	–
	740,390	760,913

31. NON-CURRENT PORTION OF BANK LOANS AND OTHER BORROWINGS

	The Group 2009 US$'000	The Group 2008 US$'000
Bank loans		
– Secured	**938,229**	932,024
– Unsecured	**154,789**	73,062
	1,093,018	1,005,086
Unsecured medium term notes	**24,185**	84,655
Secured mortgage debenture stock	**426,569**	521,428
Convertible bonds (note 32)	**233,855**	476,260
	1,777,627	2,087,429

Note:

The bank loans and mortgage debenture stock are secured by the following:

– legal mortgages on investment properties with an aggregate book value of US$10.5 million (2008: US$11.3 million) (note 15);

– legal mortgages on development properties with an aggregate book value of US$1,647.2 million (2008: US$2,047.4 million) (note 24); and

– legal mortgages on property, plant and equipment with an aggregate book value of US$708.6 million (2008: US$1,159.1 million) (note 15).

The Group's bank loans and other borrowings were repayable as follows:

	The Group									
	2009					2008				
	Bank loans US$'000	**Mortgage debenture stock US$'000**	**Convertible bonds US$'000**	**Other borrowings US$'000**	**Total US$'000**	Bank loans US$'000	Mortgage debenture stock US$'000	Convertible bonds US$'000	Other borrowings US$'000	Total US$'000
Within 1 year or on demand	**449,918**	**–**	**235,191**	**55,281**	**740,390**	569,518	–	–	191,395	760,913
After 1 year but within 2 years	**436,628**	**–**	**–**	**24,185**	**460,813**	131,499	–	–	58,891	190,390
After 2 years but within 5 years	**656,390**	**–**	**233,855**	**–**	**890,245**	872,515	–	476,260	25,764	1,374,539
After 5 years	**–**	**426,569**	**–**	**–**	**426,569**	1,072	521,428	–	–	522,500
	1,093,018	**426,569**	**233,855**	**24,185**	**1,777,627**	1,005,086	521,428	476,260	84,655	2,087,429
	1,542,936	**426,569**	**469,046**	**79,466**	**2,518,017**	1,574,604	521,428	476,260	276,050	2,848,342

32. CONVERTIBLE BONDS

	The Group	
	2009	2008
	US$'000	US$'000
Proceeds from issue of convertible bonds	**450,421**	450,421
Transaction costs	**(3,267)**	(3,267)
Net proceeds	**447,154**	447,154
Equity portion of convertible bonds	**(41,664)**	(41,664)
Amortisation of transaction costs capitalised, bond discount and others	**39,809**	18,996
Exchange adjustments	**23,747**	51,774
	469,046	476,260

On 7 May 2007, GuocoLand Limited ("GLL"), issued S$690 million (US$450 million) in principal amount of convertible bonds (the "Bonds") comprising S$345 million (US$225 million) in principal amount of unsecured Tranche 1 Convertible Bonds ("Tranche 1 Bonds") and S$345 million (US$225 million) in principal amount of unsecured Tranche 2 Convertible Bonds ("Tranche 2 Bonds"). The Bonds are due on 7 May 2012 (the "Maturity Date").

The Bonds are convertible by the holders thereof (the "Bondholders") into new ordinary shares in the capital of GLL ("Shares") at any time on or after 6 July 2007 and up to 27 April 2012 or if such Bonds shall have been called for redemption by GLL before 27 April 2012, then up to a date no later than seven business days prior to the date fixed for redemption thereof. The conversion price of the Bonds was adjusted from the initial conversion price of S$6.216 per Share to S$5.507 per Share with effect from 30 July 2007 following the issue of 221,882,489 new Shares on that day pursuant to a renounceable rights issue undertaken by GLL.

At any time on or after 7 May 2009 and prior to the date falling 7 business days prior to the Maturity Date of the Bonds, the Bonds may be redeemed in whole at the option of GLL if the volume weighted average price of the Shares for each of 10 consecutive trading days was at least 120% of the principal amount of the Bonds plus interest equal to the applicable early redemption interest amount divided by the conversion ratio.

On 7 May 2010, in respect of the Tranche 1 Bonds only, GLL may at the option of any Bondholder, redeem all or some of that Bondholder's Tranche 1 Bonds, at their principal amount plus interest equal to the applicable early redemption interest amount.

Unless previously redeemed, converted, or purchased and cancelled, the Tranche 1 Bonds shall be redeemed on the Maturity Date at its principal amount plus interest of 0.6% p.a. on a semi-annual basis of its principal amount and the Tranche 2 Bonds shall be redeemed on the Maturity Date at its principal amount plus interest of 1.9% p.a. on a semi-annual basis of its principal amount.

As GLL expects the potential early redemption of the Tranche 1 Bonds on 7 May 2010, Tranche 1 Bonds have been reclassified as current liabilities as at 30 June 2009.

33. PROVISIONS AND OTHER LIABILITIES

	The Group			
	Restructuring costs US$'000	**Pensions** US$'000	**Others** US$'000	**Total** US$'000
As at 1 July 2008	7,059	18,583	687	26,329
Charge/(write-back) to income statement during the year	(58)	501	–	443
Amounts settled or utilised during the year	(4,834)	(5,429)	(9)	(10,272)
Exchange adjustments	(1,171)	(2,905)	(52)	(4,128)
As at 30 June 2009	996	10,750	626	12,372
Provisions and other liabilities as at 30 June 2009 are disclosed as:				
Current liabilities	996	–	626	1,622
Non-current liabilities	–	10,750	–	10,750
	996	10,750	626	12,372

34. DEFERRED TAXATION

(a) Deferred tax assets and liabilities recognised:

The Group

The components of deferred tax (assets)/liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

Deferred tax arising from:	**Depreciation allowance in excess of related depreciation** US$'000	**Revaluation of properties** US$'000	**Timing difference on development properties** US$'000	**Revaluation of financial liabilities** US$'000	**Provisions** US$'000	**Tax losses** US$'000	**Others** US$'000	**Total** US$'000
As at 1 July 2008	545	164,024	3,740	(20,118)	(3,172)	(1,230)	9,699	153,488
Charged/(credited) to consolidated income statement	26	(33,658)	8,095	2,297	1,210	(5,009)	(36)	(27,075)
Charged to reserves	–	–	–	–	–	–	344	344
	571	130,366	11,835	(17,821)	(1,962)	(6,239)	10,007	126,757
Exchange adjustments	(45)	(28,043)	563	3,418	571	(58)	(467)	(24,061)
As at 30 June 2009	526	102,323	12,398	(14,403)	(1,391)	(6,297)	9,540	102,696
As at 1 July 2007	171	166,936	2,327	(23,228)	(4,649)	(1,406)	18	140,169
Charged/(credited) to consolidated income statement	335	(2,467)	1,159	3,031	1,468	198	–	3,724
Charged to reserves	–	–	–	–	–	–	9,675	9,675
	506	164,469	3,486	(20,197)	(3,181)	(1,208)	9,693	153,568
Exchange adjustments	39	(445)	254	79	9	(22)	6	(80)
As at 30 June 2008	545	164,024	3,740	(20,118)	(3,172)	(1,230)	9,699	153,488

34. DEFERRED TAXATION (cont'd)

(a) Deferred tax assets and liabilities recognised: (cont'd)

The Group (cont'd)

	2009 US$'000	2008 US$'000
Net deferred tax assets recognised on the balance sheet	**(3,075)**	(160)
Net deferred tax liabilities recognised on the balance sheet	**105,771**	153,648
	102,696	153,488

(b) Deferred tax assets unrecognised:

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2009 US$'000	2008 US$'000
Deductible temporary differences	**4,839**	12,247
Tax losses	**681,129**	769,739
	685,968	781,986

The Group has not recognised deferred tax assets in respect of tax losses as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The deductible temporary differences and tax losses do not expire under current tax legislation.

(c) Deferred tax liabilities not recognised

As at 30 June 2009, temporary differences relating to the undistributed profits of subsidiaries amounted to US$75.0 million (2008: US$67.4 million). Deferred tax liabilities of US$7.5 million (2008: US$6.7 million) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Group controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed in the foreseeable future.

35. SHARE CAPITAL AND RESERVES

	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOP reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Minority interests US$'000	Total equity US$'000
The Group													
At 1 July 2008	164,526	10,493	(37,442)	2,704	(40,846)	4,441	250,349	(9,271)	9,908	4,926,073	5,280,935	1,213,186	6,494,121
Transfer between reserves	–	–	2,995	–	–	–	–	–	–	(2,995)	–	–	–
Share of subsidiaries' and associates' capital and other reserves movement	–	–	703	–	–	–	–	–	–	–	703	–	703
Equity settled share-based transactions	–	–	–	–	–	434	–	–	–	–	434	102	536
Transfer of shares to employees upon exercise of share options by a subsidiary	–	–	2,290	–	–	–	–	–	–	–	2,290	(235)	2,055
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	–	–	40,954	–	–	40,954	(1,235)	39,719
Transfer to profit or loss on disposal of available-for-sale financial assets	–	–	–	–	–	–	–	49	–	–	49	–	49
Valuation released upon disposal of properties	–	–	–	–	–	–	–	–	(998)	–	(998)	–	(998)
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	–	–	4,769	–	(258)	(266)	(109,985)	(39)	(241)	–	(106,020)	(116,633)	(222,653)
Exchange difference on monetary items forming part of the net investments in foreign subsidiaries and associates	–	–	–	–	–	–	(11,519)	–	–	–	(11,519)	21,958	10,439
Minority interests on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(51,604)	(51,604)
Minority interests on liquidation of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	(10,083)	(10,083)
Minority interests on share capital reduction in subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(4,830)	(4,830)
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	–	–	(23,989)	(23,989)
Cash distribution to minority interests	–	–	–	–	–	–	–	–	–	–	–	(790)	(790)
Final dividend paid	–	–	–	–	–	–	–	–	–	(125,745)	(125,745)	–	(125,745)
Interim dividend paid	–	–	–	–	–	–	–	–	–	(20,960)	(20,960)	–	(20,960)
Profit for the year	–	–	–	–	–	–	–	–	–	61,364	61,364	16,420	77,784
At 30 June 2009	164,526	10,493	(26,685)	2,704	(41,104)	4,609	128,845	31,693	8,669	4,837,737	5,121,487	1,042,267	6,163,754
Retained in													
– Company and subsidiaries													5,799,024
– Associates and jointly controlled entities													364,730
													6,163,754

35. SHARE CAPITAL AND RESERVES (cont'd)

	Share capital US$'000	Share premium US$'000	Capital and other reserves US$'000	Contributed surplus US$'000	ESOP reserve US$'000	Share option reserve US$'000	Exchange translation reserve US$'000	Fair value reserve US$'000	Revaluation reserve US$'000	Retained profits US$'000	Total US$'000	Minority interests US$'000	Total equity US$'000
The Group													
At 1 July 2007	164,526	10,493	318	2,704	(40,753)	1,944	113,952	3,129	9,810	4,919,939	5,186,062	999,548	6,185,610
Transfer between reserves	–	–	2,492	–	–	–	–	–	–	(2,492)	–	–	–
Share of subsidiaries' and associates' capital and other reserves movement	–	–	(6,126)	–	–	–	–	–	–	–	(6,126)	(6,241)	(12,367)
Equity settled share-based transactions	–	–	–	–	–	2,302	–	–	–	–	2,302	1,551	3,853
Transfer of shares to employees upon exercise of share options by a subsidiary	–	–	4,649	–	–	–	–	–	–	–	4,649	(490)	4,159
Issue of shares under rights issue by a subsidiary	–	–	–	–	–	–	–	–	–	–	–	147,303	147,303
Subscription of shares under rights issue by the trust for ESOS by a subsidiary	–	–	(34,039)	–	–	–	–	–	–	–	(34,039)	–	(34,039)
Changes in fair value of available-for-sale financial assets	–	–	–	–	–	–	–	(12,453)	–	–	(12,453)	(2,797)	(15,250)
Transfer to profit or loss on disposal of available-for-sale financial assets	–	–	–	–	–	–	–	(163)	–	–	(163)	332	169
Exchange differences on translation of the financial statements of foreign subsidiaries, associates and jointly controlled entities	–	–	(4,736)	–	(93)	195	107,068	216	445	–	103,095	79,355	182,450
Exchange difference on monetary items forming part of the net investments in foreign subsidiaries and associates	–	–	–	–	–	–	29,329	–	–	–	29,329	(33,393)	(4,064)
Minority interests on acquisition of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	(36,837)	(36,837)
Dividends paid to minority interests	–	–	–	–	–	–	–	–	–	–	–	(17,581)	(17,581)
Valuation released upon disposal of properties	–	–	–	–	–	–	–	–	(347)	–	(347)	–	(347)
Cash distribution to minority interests	–	–	–	–	–	–	–	–	–	–	–	(10,705)	(10,705)
Exercise of warrants and conversion of ICULS issued by a subsidiary	–	–	–	–	–	–	–	–	–	–	–	22,385	22,385
Final dividend paid	–	–	–	–	–	–	–	–	–	(137,741)	(137,741)	–	(137,741)
Interim dividend paid	–	–	–	–	–	–	–	–	–	(41,824)	(41,824)	–	(41,824)
Profit for the year	–	–	–	–	–	–	–	–	–	188,191	188,191	70,756	258,947
At 30 June 2008	164,526	10,493	(37,442)	2,704	(40,846)	4,441	250,349	(9,271)	9,908	4,926,073	5,280,935	1,213,186	6,494,121
Retained in													
– Company and subsidiaries													6,140,333
– Associates and jointly controlled entities													353,788
													6,494,121

35. SHARE CAPITAL AND RESERVES (cont'd)

	Share capital US$'000	Share premium US$'000	Retained profits US$'000	Total equity US$'000
The Company				
At 1 July 2008	164,526	10,493	3,647,880	3,822,899
Final dividend paid	–	–	(127,300)	(127,300)
Interim dividend paid	–	–	(21,221)	(21,221)
Profit for the year	–	–	11,768	11,768
At 30 June 2009	164,526	10,493	3,511,127	3,686,146
At 1 July 2007	164,526	10,493	3,443,448	3,618,467
Final dividend paid	–	–	(139,448)	(139,448)
Interim dividend paid	–	–	(42,340)	(42,340)
Profit for the year	–	–	386,220	386,220
At 30 June 2008	164,526	10,493	3,647,880	3,822,899

Notes:

(i) The application of share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda.

(ii) The capital and other reserves have been set up and will be dealt with in accordance with the Group's accounting policies. The equity component of the issued convertible bonds, which represents the implied fair value of the conversion rights, is included in the capital reserve.

(iii) The contributed surplus is governed by Section 54 of the Companies Act 1981 of Bermuda.

The contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) it is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

(iv) The ESOP reserve comprises the purchase consideration for issued shares of the Company acquired for the Share Option Plan for the purpose of satisfying the exercise of share options to be granted to eligible employees (Note 38).

(v) The share option reserve comprises the cumulative value of employee services received for the issue of share options.

(vi) The exchange translation reserve comprises:

(a) the foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries and associates whose functional currencies are different from the functional currency of the Company.

(b) the exchange differences on monetary items which form part of the Group's net investment in the foreign subsidiaries and associates.

(vii) Fair value reserve comprises unrealised gain or loss arising from changes in fair value of available-for-sale financial assets.

(viii) Revaluation reserve comprises increase in fair value of property, plant and equipment and development properties from acquired subsidiaries.

(ix) Distributable reserves of the Company as at 30 June 2009 amounted to US$3,511,127,000 (2008: US$3,647,880,000).

35. SHARE CAPITAL AND RESERVES (cont'd)

Share capital

	The Group and The Company			
	2009		2008	
	No. of shares '000	**US$'000**	No. of shares '000	US$'000
Authorised:				
Ordinary shares of US$0.50 each	**1,000,000**	**500,000**	1,000,000	500,000
Issued and fully paid:				
As at 1 July and 30 June	**329,051**	**164,526**	329,051	164,526

Note:

As at 30 June 2009, 4,026,862 ordinary shares (2008: 4,026,862 ordinary shares) were acquired by the Group to reserve for the Share Option Plan for the purpose of satisfying the exercise of share options to be granted to eligible employees.

36. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

(a) Acquisition of subsidiaries

	The Group	
	2009 US$'000	2008 US$'000
Net assets acquired:		
Property, plant and equipment	**54**	150
Development properties	**–**	709,224
Trade and other receivables	**99**	188
Cash and short term funds	**469**	11,993
Trade and other payables	**(97)**	(469,562)
Bank loans and borrowings	**–**	(34,626)
Minority interests	**–**	(727)
	525	216,640
Previously accounted for as interest in an associate	**–**	(163,145)
Total consideration	**525**	53,495
Satisfied by:		
Cash consideration	**525**	45,215
Other payables	**–**	8,280
	525	53,495

36. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (cont'd)

(b) Analysis of net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries

	The Group	
	2009 US$'000	2008 US$'000
Cash consideration	**525**	45,215
Cash at bank and in hand acquired	**(469)**	(11,993)
Net outflow of cash and cash equivalents in respect of the acquisition of subsidiaries	**56**	33,222

(c) Disposal of subsidiaries

	The Group	
	2009 US$'000	2008 US$'000
Net assets disposed:		
Available-for-sale financial assets	**1,231**	–
Trade and other receivables	**120**	–
Cash and short term funds	**175**	–
Trade and other payables	**(76)**	–
	1,450	–
Profit on disposal of subsidiaries	**–**	–
	1,450	–
Satisfied by:		
Cash received	**1,450**	–

(d) Analysis of net inflow of cash and cash equivalents in respect of the disposal of subsidiaries

	The Group	
	2009 US$'000	2008 US$'000
Cash consideration received	**1,450**	–
Cash at bank and in hand disposed	**(175)**	–
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	**1,275**	–

37. EMPLOYEE RETIREMENT BENEFITS

(a) Defined benefit retirement plans

The Group has several defined benefit pension schemes, all of which are closed to new members and managed by independent administrators. Actuarial valuations are carried out at least once every three years and informal valuations are carried out in the intervening years.

(i) The amounts recognised in the balance sheet are as follows:

	The Group	
	2009 US$'000	2008 US$'000
Present value of wholly or partly funded obligations	**(98,813)**	(118,141)
Fair value of plan assets	**79,629**	97,182
Net unrecognised actuarial losses	**8,434**	2,376
	(10,750)	(18,583)

A portion of the above liability is expected to be settled after more than one year. However, it is not practicable to segregate this amount from the amounts payable in the next twelve months, as future contributions will also relate to future services rendered and future changes in actuarial assumptions and market conditions.

(ii) Changes in the present value of the defined benefit obligation:

	The Group	
	2009 US$'000	2008 US$'000
At 1 July	**118,141**	122,847
Service cost	**449**	715
Interest cost	**5,977**	6,588
Actuarial gain	**(2,965)**	(7,733)
Benefits paid	**(3,367)**	(3,694)
Exchange differences	**(19,422)**	(582)
At 30 June	**98,813**	118,141

(iii) Changes in the fair value of plan assets:

	The Group	
	2009 US$'000	2008 US$'000
At 1 July	**97,181**	99,309
Expected return on plan assets	**6,074**	6,638
Contributions from the Group	**5,609**	6,153
Benefits paid	**(3,432)**	(3,759)
Actuarial gain	**(9,719)**	(10,722)
Exchange differences	**(16,084)**	(438)
At 30 June	**79,629**	97,181

37. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(a) Defined benefit retirement plans (cont'd)

(iv) Movements in the other liabilities recognised in the balance sheet are as follows:

	The Group	
	2009	2008
	US$'000	US$'000
At 1 July	**(18,583)**	(24,185)
Contributions paid to plans	**5,544**	5,910
Expense recognised in profit or loss	**(612)**	(432)
Exchange difference	**2,901**	124
At 30 June	**(10,750)**	(18,583)

(v) Expense recognised in consolidated income statement is as follows:

	The Group	
	2009	2008
	US$'000	US$'000
Current service cost	**(433)**	(540)
Interest cost	**(5,755)**	(6,604)
Actuarial expected return on plan assets	**5,858**	6,684
Net actuarial gains/(losses) recognised	**(282)**	28
	(612)	(432)

(vi) The principal actuarial assumptions used as at 30 June 2009 (expressed as weighted averages) are as follows:

	The Group	
	2009	2008
Discount rate	**5.10%**	5.40%
Expected returns on plan assets – equities	**8.25%**	8.50%
Expected returns on plan assets – bonds	**5.70%**	6.30%
Expected rates of salary increase	**3.90%**	4.40%

37. EMPLOYEE RETIREMENT BENEFITS (cont'd)

(b) Defined contribution retirement plans

The Company and its subsidiaries in Hong Kong operate a Mandatory Provident Fund Scheme ("MPF Scheme") which has been established under the Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance in December 2000. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the Group's contribution is 10 percent or 5 percent of employees' monthly salaries and is expensed as incurred.

Subsidiaries in Singapore operates a Central Provident Fund Scheme ("CPF Scheme") which is a defined contribution scheme. Under this CPF Scheme, the subsidiary's contribution is 5 percent to 14.5 percent of employees' monthly salaries and is expensed as incurred.

During the year, the Group's cost incurred on employees pension schemes were US$2,402,000 (2008: US$2,773,000) and forfeited contributions in the amount of US$15,000 (2008: US$48,000) were used to reduce current year's contributions.

38. EQUITY SETTLED SHARE-BASED TRANSACTIONS

(a) The Company

The Company adopted a share option scheme (the "Share Option Scheme") on 29 November 2001 for the purpose of providing any employees or directors of the Company or any of its subsidiaries or associated companies (the "Eligible Employee") the opportunity of participating in the growth and success of the Group.

The option price per share payable upon exercise of any share option will be determined by the directors upon the grant of the share option. It will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option; and (c) the nominal value of a share.

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days inclusive of, and from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant in respect of such offer. No share option may be granted more than ten years after 29 November 2001, the date on which the Share Option Scheme was adopted by the Company.

On 16 December 2002, the Company established a share option plan (the "Share Option Plan") for the purpose of motivating the employees and directors of the Group companies and the employees of associated companies (the "Participants") and allowing them to participate in the growth of the Group through the grant of options over existing shares.

The exercise price of an option for the purchase of share will not be less than the greatest of (a) the average closing price of a share as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such a share option; (b) the closing price of a share as stated in the Stock Exchange's daily quotation sheet on the day of offer of such a share option, which must be a business day; and (c) the nominal value of a share.

38. EQUITY SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(a) The Company (cont'd)

A nominal consideration of HK$1 is payable on acceptance of the share option within 21 days from the date of making such offer. The exercise period of the share option shall fall within the period from the date of grant and ending on the tenth anniversary of the date of grant of such option. No share option may be granted more than ten years after 16 December 2002, the date on which the Share Option Plan was adopted by the Company.

No share options were outstanding during the year and no option has been granted to any eligible participants pursuant to the Share Option Scheme and Share Option Plan during the year.

(b) GuocoLand Limited ("GLL")

The GuocoLand Limited Executives' Share Option Scheme (the "Scheme") was approved by the shareholders of GLL at an extraordinary general meeting held on 31 December 1998. The Scheme was further approved by the Company at an extraordinary general meeting held on 1 February 1999.

In October 2004, shareholders of GLL and the Company approved the proposed amendments to the rules of the Scheme (the "Rules") to inter alia alter the structure of the Scheme to allow the grant of options to be satisfied over newly issued ordinary shares of GLL (the "Shares") or the transfer of existing Shares, or a combination of both new Shares and existing Shares, as well as to align the Rules with the requirements under Chapter 17 of The Stock Exchange of Hong Kong Limited Listing Rules.

As this GLL's Scheme was due to expire on 30 December 2008, a new GuocoLand Limited Executives' Share Option Scheme 2008 (the "GLL ESOS 2008") was adopted on 21 November 2008 in place of the GLL Scheme, which was accordingly terminated. The termination of the GLL Scheme however does not affect options which had been granted thereunder and accepted but which remain unexercised on termination.

The GLL ESOS 2008 was approved by the shareholders of GLL on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "Effective Date"). The GLL ESOS 2008 was adopted by GLL in place of the GLL Scheme to provide for continuation of an executives' share option scheme on terms substantially similar to the GLL Scheme. Under the GLL ESOS 2008, options may be granted over newly issued and/or existing shares of GLL to eligible participants including employees and executive directors of GLL. The GLL ESOS 2008 shall continue to be in force at the discretion of the GLL ESOS Committee subject to a maximum period of 10 years commencing on the Effective Date till 20 November 2018. No option has been granted pursuant to the GLL ESOS 2008 from the Effective Date up to 30 June 2009.

38. EQUITY SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(b) GuocoLand Limited ("GLL") (cont'd)

(i) *The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:*

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors of GLL:			
– on 1 November 2004	3,250,000		3.75 years
– on 1 November 2004	3,250,000	Certain financial and performance targets to be met during the performance period for FY2005 to 2007	4.75 years
Options granted to employees of GLL:			
– on 1 November 2004	3,000,000		3.75 years
– on 1 November 2004	3,000,000		4.75 years
– on 30 May 2005	2,000,000	Exercised	2 years
– on 30 May 2005	2,000,000	Certain financial and performance targets to be met during the performance period for FY2006 to 2007	3.17 years
– on 30 May 2005	2,000,000		4.17 years
Options granted to directors:			
– on 19 January 2007	10,000,000	Certain financial and performance targets to be met during the performance periods for FY2006 to 2008 and FY2009 to 2011	2 to 7 years
Options granted to employees:			
– on 19 January 2007	13,750,000		
Total share options	42,250,000		

(ii) *In connection with a variation in the issued share capital of GLL arising from the GLL's rights issue in July 2007, the number of Shares comprised in the options and the exercise price per Share were adjusted as follows:*

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors of GLL:			
– on 1 November 2004	3,699,150	3,699,150 options exercised in FY07/08	3.75 years
– on 1 November 2004	3,699,150	Certain financial and performance targets to be met during the performance period for FY2005 to 2007	4.75 years
Options granted to employees of GLL:			
– on 1 November 2004	1,707,300	1,707,300 options exercised in FY07/08	
– on 1 November 2004	1,138,200	1,138,200 options exercised in FY08/09	3.75 to
– on 1 November 2004	1,707,300	1,707,300 options exercised in FY08/09	4.75 years
– on 1 November 2004	2,276,400		
– on 30 May 2005	2,000,000	Exercised in FY06/07	2 years
– on 30 May 2005	2,276,400	Certain financial and performance targets to be met during the performance period for FY2006 to 2007	3.17 years
– on 30 May 2005	2,276,400		4.17 years
Options granted to directors:			
– on 19 January 2007	11,382,000	Certain financial and performance targets to be met during the performance periods for FY2006 to 2008 and FY2009 to 2011	
Options granted to employees:			2 to 7 years
– on 19 January 2007	12,804,750		
– on 19 January 2007	569,100	569,100 options lapsed in FY07/08	
– on 19 January 2007	2,276,400	2,276,400 options lapsed in FY08/09	
Total share options	47,812,550		

38. EQUITY SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(b) GuocoLand Limited ("GLL") (cont'd)

(iii) The number and weighted average exercise prices of share options are as follows:

	2009 Weighted average exercise price	2009 Number of options	2008 Weighted average exercise price	2008 Number of options
Outstanding at the beginning of the year	**S$1.91**	**39,837,000**	S$2.06	40,250,000
Adjustment for the Share rights in July 2007	**–**	**–**	N/A	5,562,550
Lapsed during the year	**S$2.33**	**(2,276,400)**	S$2.33	(569,100)
Exercised during the year	**S$1.05**	**(2,845,500)**	S$1.05	(5,406,450)
Outstanding at the end of the year	**S$1.95**	**34,715,100**	S$1.91	39,837,000
Exercisable at the end of the year	**S$1.09**	**10,528,350**	S$1.08	13,373,850

	2009	2008
The weighted average share price at the date of exercise for share options exercised during the year	**S$2.06**	S$4.78
The weighted average exercise price per share of the outstanding options	**S$1.95**	S$1.91
The weighted average remaining contractual life of the options	**1.2 years**	1.9 years

(iv) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility is based on 1-year historical volatility.

38. EQUITY SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(b) GuocoLand Limited ("GLL") (cont'd)

(iv) Fair value of share options and assumptions (cont'd)

	2009			2008		
Date of grant of options	**1 Nov 2004**	**30 May 2005**	**19 Jan 2007**	1 Nov 2004	30 May 2005	19 Jan 2007
Fair value at measurement date	**S$0.10 to S$0.11**	**S$0.09 to S$0.10**	**S$0.47 to S$0.73**	S$0.10 to S$0.11	S$0.09 to S$0.10	S$0.47 to S$0.73
Share price at grant date	**S$1.22**	**S$1.34**	**S$2.78**	S$1.22	S$1.34	S$2.78
Exercise price	**S$1.19**	**S$1.32**	**S$2.65**	S$1.19	S$1.32	S$2.65
Adjusted exercise price	**S$1.05**	**S$1.16**	**S$2.33**	S$1.05	S$1.16	S$2.33
Expected volatility	**21.4%**	**18.8%**	**29.5%**	21.4%	18.8%	29.5%
Expected option life	**3.2 years to 4.2 years**	**1.5 years to 3.6 years**	**1.8 years to 6.8 years**	3.2 years to 4.2 years	1.5 years to 3.6 years	1.8 years to 6.8 years
Expected dividend yield	**6.6%**	**6.0%**	**2.9%**	6.6%	6.0%	2.9%
Risk-free interest rate	**1.8% to 2.2%**	**2.1% to 2.3%**	**3.0% to 3.1%**	1.8% to 2.2%	2.1% to 2.3%	3.0% to 3.1%

(c) GuocoLeisure Limited ("GL")

The GuocoLeisure Share Option Plan (the "GL Plan") was approved by the shareholders of GL in 2001 to allow the grant of options to eligible participants including employees and executive and non-executive directors of GL and its subsidiaries (the "GL Group") who are not controlling shareholders of GL. The GL Plan was terminated on 21 November 2008.

There were no outstanding options pursuant to the GL Plan as at 30 June 2009, and no option has been granted to any eligible participants pursuant to the GL Plan during the year.

The GL Value Creation Incentive Share Scheme (the "Scheme") is a share incentive scheme which was approved by the board in 2003 and is administered by its remuneration committee. Under the Scheme, options over existing shares of GL are issued to eligible participants. The Scheme was terminated on 21 November 2008.

38. EQUITY SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(c) GuocoLeisure Limited ("GL") (cont'd)

The GuocoLeisure Limited Executives' Share Option Scheme 2008 (the "GL ESOS 2008") was approved by the shareholders of GL on 17 October 2008 and further approved by the shareholders of the Company on 21 November 2008 (the "Effective Date") in place of the GL Plan and the GL Scheme. The GL ESOS 2008 allows the grant of options over newly issued and/or existing shares of GL to eligible participants including employees and executive directors of the GL Group who are not controlling shareholders of GL. The GL ESOS 2008 shall continue to be in force at the discretion of the GL ESOS Committee, subject to a maximum period of 10 years commencing from the GL ESOS Effective Date till 20 November 2018. No option has been granted pursuant to the GL ESOS 2008 from the Effective Date up to 30 June 2009.

(i) The terms and conditions of the grants that existed during the year, whereby all options are settled by physical delivery of shares:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to employees of GL:			
– on 5 October 2007	15,100,000	1 to 4 years from the date of grant	2.7 to 4.7 years
Total share options	15,100,000		

(ii) The number and weighted average exercise prices of share options are as follows:

	2009 Weighted average exercise price	2009 Number of options	2008 Weighted average exercise price	2008 Number of options
Outstanding at the beginning of the year	**S$1.43**	**14,100,000**	–	–
Granted during the year	**–**	**–**	S$1.43	15,100,000
Lapsed during the year	**S$1.43**	**(2,300,000)**	S$1.43	(1,000,000)
Outstanding at the end of the year	**S$1.43**	**11,800,000**	S$1.43	14,100,000
Exercisable at the end of the year	**N/A**	**–**	N/A	–

	2009	2008
The weighted average exercise price per share of the outstanding options	**S$1.43**	S$1.43
The weighted average remaining contractual life of the options	**3.1 years**	4.1 years

38. EQUITY SETTLED SHARE-BASED TRANSACTIONS (cont'd)

(c) GuocoLeisure Limited ("GL") (cont'd)

(iii) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. The expected volatility, dividend yield and risk-free rate are based on 3-year historical trends.

	2009	2008
Date of grant of options	**5 October 2007**	5 October 2007
Fair value at measurement date	**S$0.38 to S$0.48**	S$0.38 to S$0.48
Share price at grant date	**S$1.33**	S$1.33
Exercise price	**S$1.43**	S$1.43
Expected volatility	**41.8%**	41.8%
Expected option life	**2.7 years to 4.7 years**	2.7 years to 4.7 years
Expected dividend yield	**2.6%**	2.6%
Risk-free interest rate	**3.0%**	3.0%

39. FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

These risks are managed by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risks are primarily attributable to bank deposits, debt securities, derivative financial instruments and trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Group's bank deposits are only deposited in and debt securities are only purchased from counterparties which have high credit quality. Transactions involving derivative financial instruments are with counterparties with sound credit ratings. The Group has limits for exposures to individual counterparty and country to manage concentration risk.

The Group's credit exposure in property business is minimal as customers fund their purchases of residential housing units with mortgaged home loans from independent financial institutions. The hotel business has its own credit policy to allow credit period of upto 14 days for certain of its customers. The Group has no significant concentrations of credit risks. The Group only obtain liquid securities as collaterals from margin clients of securities, commodities and brokerage business.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet after deducting any impairment allowance.

(b) Liquidity risk

Liquidity is managed on a daily basis by the treasury and finance departments. They are responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches. The Group manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

39. FINANCIAL INSTRUMENTS (cont'd)

(b) Liquidity risk (cont'd)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

	2009						2008					
	Carrying amount US$'000	Total contractual undiscounted cash flow US$'000	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000	Carrying amount US$'000	Total contractual undiscounted cash flow US$'000	Within 1 year or on demand US$'000	More than 1 year but less than 2 years US$'000	More than 2 years but less than 5 years US$'000	More than 5 years US$'000
The Group												
Non-derivative financial liabilities												
Bank loans	(1,542,936)	(1,634,989)	(485,945)	(464,335)	(684,709)	-	(1,574,604)	(1,682,878)	(606,414)	(160,602)	(914,742)	(1,120)
Unsecured medium term notes	(79,466)	(82,922)	(58,285)	(24,637)	-	-	(276,050)	(287,116)	(198,779)	(62,091)	(26,246)	–
Secured mortgage debenture stock	(426,569)	(640,133)	(37,666)	(37,666)	(112,998)	(451,803)	(521,428)	(812,349)	(45,100)	(45,100)	(135,300)	(586,849)
Convertible bonds	(469,046)	(504,763)	(242,714)	-	(262,049)	-	(476,260)	(540,846)	–	–	(540,846)	–
Trade and other payables	(697,403)	(697,403)	(657,941)	(38,409)	(964)	(89)	(696,191)	(696,191)	(687,243)	(3,837)	(5,026)	(85)
	(3,215,420)	(3,560,210)	(1,482,551)	(565,047)	(1,060,720)	(451,892)	(3,544,533)	(4,019,380)	(1,537,536)	(271,630)	(1,622,160)	(588,054)
Derivative financial liabilities												
Derivatives settled net:												
Interest rate swaps		(3,597)	(2,186)	(352)	(1,059)	-		(3,032)	(1,410)	(1,622)	–	–
Derivatives settled gross:												
Forward equity purchase contracts		(30,300)	(30,300)	-	-	-		–	–	–	–	–
Forward foreign exchange contracts												
– outflows		(496,795)	(496,795)	-	-	-		(573,418)	(573,418)	–	–	–
– inflows		494,420	494,420	-	-	-		571,628	571,628	–	–	–
		(36,272)	(34,861)	(352)	(1,059)	-		(4,822)	(3,200)	(1,622)	–	–
The Company												
Non-derivative financial liabilities												
Trade and other payables	(541)	(541)	(270)	(271)	-	-	(6,125)	(6,125)	(5,855)	(270)	–	–
Derivative financial liabilities												
Derivatives settled gross:												
Forward foreign exchange contracts												
– outflows		(227,749)	(227,749)	-	-	-		–	–	–	–	–
– inflows		227,670	227,670	-	-	-		–	–	–	–	–
		(79)	(79)	-	-	-		–	–	–	–	–

39. FINANCIAL INSTRUMENTS (cont'd)

(c) Interest rate risk

The Group's interest rate risk arises from treasury activities and borrowings. Interest rate risk is managed by the treasury department within approved limits. The Group uses interest rate swaps to manage its interest rate exposure as appropriate. As at 30 June 2009, the Group had interest rate swaps with outstanding notional amount of US$138.2 million (2008: US$110.4 million).

(i) Interest rate profile

The following table details the interest rate profile of the Group's and the Company's interest earning financial assets and interest bearing financial liabilities at the balance sheet date.

	2009 Effective interest rate	**2009 US$'000**	2008 Effective interest rate	2008 US$'000
The Group				
Floating rate financial assets/(liabilities)				
Debt securities	**9.50%**	**7,125**	–	–
Bank loans and other borrowings	**0.97% to 6.55%**	**(1,527,839)**	1.43% to 8.51%	(1,596,688)
		(1,520,714)		(1,596,688)
Fixed rate financial assets/(liabilities)				
Debt securities	**2.50% to 6.20%**	**7,848**	–	–
Deposits with banks	**0.001% to 6.11%**	**2,732,920**	0.12% to 16.50%	3,117,072
Bank loans and other borrowings	**1.10% to 10.75%**	**(990,178)**	3.75% to 10.75%	(1,251,654)
		1,750,590		1,865,418
Total		**229,876**		268,730
The Company				
Fixed rate financial assets				
Deposits with banks	**0.01% to 3.15%**	**2,443,282**	0.12% to 7.22%	2,667,838
Amount due from a subsidiary	**0.68%**	**3,570**	1.37%	3,804
Held-to-maturity financial assets	**8.20%**	**159,134**	8.20%	171,463
		2,605,986		2,843,105

39. FINANCIAL INSTRUMENTS (cont'd)

(c) Interest rate risk (cont'd)

(ii) Sensitivity analysis

As at 30 June 2009, it is estimated that a general increase/decrease of 25 to 75 basis points (2008: 25 to 150 basis points) in interest rates for the Group's various currencies, mainly United States dollars, British pounds, Malaysian Ringgit and Singapore dollars, with all other variables held constant, would increase/decrease the Group's profit and total equity by approximately US$9.5 million (2008: US$19.1 million). This takes into account the effect of interest earning bank deposits and interest bearing bank loans and other borrowings as at 30 June 2009.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for both derivative and non-derivative financial instruments in existence at that date. The analysis is performed on the same basis for 2008.

(d) Foreign currency risk

Structural foreign currency positions arise mainly on overseas investments in Singapore, Malaysia, PRC and United Kingdom. Currency exposure to these overseas investments is managed primarily at the Group level with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations.

The Group from time to time enters into foreign exchange contracts, which are primarily over-the-counter derivatives, principally for hedging foreign currency exposures or for diversifying its deposits. The Group may also raise foreign currency loans to hedge its foreign currency investments.

(i) Exposure to foreign currency risk

The following table details the Group's and the Company's exposure at the balance sheet date to foreign currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	2009					2008				
	Australian Dollars '000	British Pounds '000	Japanese Yen '000	Malaysian Ringgit '000	Singapore Dollars '000	Australian Dollars '000	British Pounds '000	Japanese Yen '000	Malaysian Ringgit '000	Singapore Dollars '000
The Group										
Available-for-sale financial assets	-	70,439	-	-	-	–	52,016	–	–	–
Trade and other receivables	401	5	3,365	763	4,891	1,079	1	95,916	1,194	5,409
Trading financial assets	9,169	617	814,730	140,655	19,271	16,882	–	576,600	191,009	81,596
Cash and short term funds	369,393	94	307	1,796,307	7,226	515,193	312	51,123	1,976,212	168,526
Trade and other payables	(878)	(231)	-	(558)	(2,165)	–	(2,505)	(42,468)	(1,943)	(540)
Bank loans and other borrowings	-	(32,500)	-	-	(32,500)	–	–	–	–	–
Gross exposure arising from recognised assets and liabilities	378,085	38,424	818,402	1,937,167	(3,277)	533,154	49,824	681,171	2,166,472	254,991
Notional amounts of forward exchange contracts at fair value through profit or loss	44,092	(65,897)	(1,169,842)	-	(88,613)	93,658	(97,160)	(684,959)	–	(435,233)
Overall net exposure	422,177	(27,473)	(351,440)	1,937,167	(91,890)	626,812	(47,336)	(3,788)	2,166,472	(180,242)

39. FINANCIAL INSTRUMENTS (cont'd)

(d) Foreign currency risk (cont'd)

(i) Exposure to foreign currency risk (cont'd)

	2009					2008				
	Australian Dollars '000	British Pounds '000	Japanese Yen '000	Malaysian Ringgit '000	Singapore Dollars '000	Australian Dollars '000	British Pounds '000	Japanese Yen '000	Malaysian Ringgit '000	Singapore Dollars '000
The Company										
Trade and other receivables	237	-	-	4,809	-	1,079	–	–	5,284	5
Cash and short term funds	369,393	-	307	1,796,064	6,642	515,193	–	51,123	1,881,503	168,091
Trade and other payables	-	-	-	-	-	–	–	–	(5)	–
Gross exposure arising from recognised assets and liabilities	369,630	-	307	1,800,873	6,642	516,272	–	51,123	1,886,782	168,096

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date.

	2009			2008		
	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000	Increase in foreign exchange rates	Effect on profit US$'000	Effect on other components of equity US$'000
The Group						
Australian Dollars	1%	2,623	-	3%	11,700	–
British Pounds	1%	(1,487)	1,172	4%	(3,900)	4,000
Japanese Yen	8%	(295)	-	2%	–	–
Malaysian Ringgit	1%	5,505	-	5%	31,000	–
Singapore Dollars	1%	(645)	-	5%	(6,600)	–

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the Group entities' exposure to foreign currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit and total equity measured in the respective functional currencies, translated into United States dollars at the exchange rate ruling at the balance sheet date for presentation purpose. The analysis is performed on the same basis for 2008.

39. FINANCIAL INSTRUMENTS (cont'd)

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as trading securities (see note 27) and available-for-sale equity securities (see note 22).

The Group maintains a diversified investment portfolio which comprises listed and unlisted equities. Investments are chosen to enhance creation of capital value for trading purpose as well as for long term potential growth. Investments are classified as "trading" or "strategic". Equity investments are subject to asset allocation limits to control appropriate risks. The portfolio size is regularly reviewed and the price movements are closely monitored by the investment committee, who will take appropriate actions when required.

As at 30 June 2009, it is estimated that an increase/decrease of 2% to 8% in the market value of the Group's global listed trading securities and available-for-sale equity securities, with all other variables held constant, would affect the Group's profit and total equity by US$15.1 million (2008: US$48.2 million) and US$20.3 million (2008: US$6.4 million) respectively. It is assumed that none of the available-for-sale investments would be considered impaired as a result of relevant risk variables. The analysis is performed on the same basis for 2008.

(f) Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at 30 June 2009 and 2008.

Listed investments are stated at quoted market bid prices. Unlisted investments for which fair values cannot be reliably measured are stated at cost less impairment losses.

The fair value of forward exchange contracts is determined using forward exchange rates at the balance sheet date. The fair value of derivatives financial instruments is determined based on the amount that the Group would receive or pay to terminate the contracts with the independent counterparties.

The fair value of non-derivative financial liabilities is estimated using discounted cash flow analysis on the loan principal, including the interest due on the loans, based on current incremental lending rates for similar instruments at the balance sheet date.

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables approximate the fair value due to the relatively short-term maturity of these financial assets and liabilities.

40. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

40. CAPITAL MANAGEMENT (cont'd)

The Group monitors its capital structure by reviewing its equity-debt ratio and cashflow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines equity-debt ratio as the ratio of the equity attributable to shareholders of the Group to net debt. Net debt comprises total borrowings less cash and short term funds and marketable securities.

The equity-debt ratio as at 30 June 2009 is as follows:

	The Group	
	2009 US$'000	2008 US$'000
Bank loans	**1,542,936**	1,574,604
Mortgage debenture stock	**426,569**	521,428
Convertible bonds	**469,046**	476,260
Other borrowings	**79,466**	276,050
Total borrowings	**2,518,017**	2,848,342
Less: Cash and short term funds	**(2,944,242)**	(3,253,910)
Marketable securities	**(359,864)**	(533,505)
Net liquid funds	**(786,089)**	(939,073)
Total equity	**6,163,754**	6,494,121
Equity-debt ratio	**100 : 0**	100 : 0

41. COMMITMENTS

(a) Operating lease arrangements

(i) As lessee

As at 30 June 2009, the total future minimum lease payments under non-cancellable operating lease are payable as follows:

	The Group	
	2009 US$'000	2008 US$'000
Within 1 year	**69,795**	84,453
After 1 year but within 5 years	**262,981**	308,047
After 5 years	**1,380,422**	1,745,945
	1,713,198	2,138,445

The Group leases a number of properties under operating leases. The leases typically run for periods of up to thirty years, with an option to renew the lease after expiry date. Regular lease payment reviews are required by the majority of the lease agreements.

41. COMMITMENTS (cont'd)

(a) Operating lease arrangements (cont'd)

(ii) As lessor

As at 30 June 2009, the total future minimum lease payments under non-cancellable operating lease are receivable as follows:

	The Group	
	2009	2008
	US$'000	US$'000
Within 1 year	**11,385**	13,520
After 1 year but within 5 years	**5,790**	12,811
	17,175	26,331

There were also commitments in respect of foreign currency contracts relating to the normal operations as at 30 June 2009.

(b) Capital commitments outstanding not provided for in the final financial report

	The Group	
	2009	2008
	US$'000	US$'000
Authorised and contracted for	**3,344**	23,028

The commitment in respect of purchase of land by the Group was US$nil million (2008: US$2.8 million).

The commitment in respect of development expenditure contracted but not provided for in the financial statements by the Group was US$261.8 million (2008: US$333.5 million).

42. CONTINGENT LIABILITIES

(i) GL has given a guarantee to the owner of the 20 (2008: 20) hotel businesses sold in 2002 that the aggregate Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") of the business will not be less than US$46.1 million (2008: US$55.2 million) per calendar year (or pro-rata amount) thereafter until 4 April 2012. The maximum liability for any one year under the guarantee was US$46.1 million (2008: US$55.2 million) and the maximum aggregate liability under the guarantee was approximately US$92.2 million (2008: US$110.4 million). Having considered the likelihood of crystalising this contingent liability, management has determined that no provision was required as at 30 June 2009.

(ii) In November 2007, GLL's wholly-owned subsidiary, GuocoLand (China) Limited ("GLC"), completed its acquisition of a 100% interest in Hainan Jing Hao Asset Limited ("Hainan Co"), which in turn held a 90% stake in Beijing Cheng Jian Dong Hua Real Estate Development Company Limited ("CJDH"), the company undertaking the Dongzhimen project in Beijing ("DZM Project"). To date, an aggregate of RMB3.22 billion of the purchase consideration of RMB5.8 billion has been paid to the vendors of the DZM Project, Beijing Beida Jade Bird Company Limited ("BBJB") and its related corporations (collectively, the "vendors"). The balance of RMB2.58 billion has been withheld pending resolution of disputes described hereunder, which had been disclosed by GLL previously.

Construction work on the DZM Project is in progress. Structural works have been completed for the residential, hotel and retail components, and 2 office blocks. The airport terminal and the transportation centre were completed and handed over to the Beijing government in July 2008.

42. CONTINGENT LIABILITIES (cont'd)

(ii) (1) Alleged claims by Shenzhen Development Bank ("SDB") and Agricultural Bank of China ("ABC")

(a) SDB

SDB claims that a loan of RMB1.5 billion was granted by SDB to certain borrowers. Amongst the security obtained by SDB is a guarantee by Beijing Dong Hua Guang Chang Zhi Ye Co Ltd ("Zhiye"), a related corporation of BBJB. An earlier suit filed by SDB against Zhiye and CJDH in The People's High Court of Beijing ("Beijing Court") was dismissed in December 2007. SDB has initiated another suit directly against CJDH for the recovery of its loan under the Zhiye guarantee ("second SDB suit"). In addition, SDB has filed an appeal against Zhiye and CJDH in respect of the dismissal of the earlier SDB suit ("SDB appeal").

An interim application was made by SDB to the Beijing Court to restrict dealing in the assets of CJDH in the aggregate sum of their claims.

Based on the information available to GLC, CJDH is neither a guarantor nor borrower of the alleged loans of RMB1.5 billion granted by SDB to borrowers who are third parties apparently unrelated to CJDH. GLC has been advised by its PRC lawyers that the SDB appeal and second SDB suit both have no merits.

Pending hearing of the SDB appeal and the second SDB suit, SDB and BBJB have purportedly entered into a settlement agreement in May 2008 for CJDH to pay RMB1 billion of the alleged loan to SDB. GLC has been advised by its PRC lawyers that the settlement agreement is void and unenforceable.

(b) ABC

ABC had claimed that CJDH and its immediate holding company, Hainan Co, are guarantors of a loan of RMB2 billion owing to ABC by Zhiye. ABC has commenced legal proceedings against Zhiye, CJDH and Hainan Co. BBJB is also a defendant in the ABC proceedings.

ABC has made an interim application to the Beijing Court to restrict dealing in the assets of Zhiye, CJDH and BBJB in the aggregate sum of their claims.

PRC lawyers of GLC are of the view that if CJDH is liable for the loan or any part thereof, GLC is entitled to set off any payment towards the loan against the balance purchase consideration still not paid by GLC.

GLC's PRC lawyers have also advised that the interim applications by SDB and ABC only restrict dealing in the assets of CJDH pending final resolution of the SDB and ABC actions. The interim applications will be expunged once the PRC courts dismiss the SDB and ABC actions.

42. CONTINGENT LIABILITIES (cont'd)

(ii) (2) Hainan Co and CJDH

In April 2008, GLL had disclosed that GLC had received a notice issued by the Hainan Trade Bureau purporting to revert registration in Hainan Co to its original shareholders, being two of the vendors of the DZM Project, allegedly on the grounds that GLC has not paid the requisite consideration for the transfer of Hainan Co to GLC.

GLC has challenged the basis for this notice as the full consideration for the transfer of Hainan Co to GLC, has been paid to the vendors. GLL has taken legal advice on these matters and will strongly defend and protect its 90% interest in the DZM Project. GLC has taken various legal actions which are pending hearing and adjudication before the PRC courts.

As the DZM Project is in Beijing, GLC has consolidated its legal actions which are now before the Beijing Intermediate Court. GLC is seeking, inter alia, for an order as rightful owner that 90% interest in CJDH be transferred to GLC or its nominee. Pending final resolution of the aforesaid legal actions, the Beijing Intermediate Court had granted GLC's application for an asset preservation order in respect of the 90% shareholding in CJDH held by Hainan Co.

GLC has also filed an appeal against the wrongful decision of the Hainan Trade Bureau in reverting registration of its 100% interest in Hainan Co to the original shareholders being two of the vendors of the DZM Project, and the matter is currently before the Hainan High Court.

43. MATERIAL RELATED PARTY TRANSACTIONS

(a) Banking transactions

Transactions with companies in the Hong Leong Company (Malaysia) Berhad Group ("HLCM"):

During the year, the Group entered into a number of transactions in the normal course of business with companies in the HLCM group including deposits and correspondent banking transactions. The transactions were priced based on the relevant market rates at the time of each transaction, and were under the same terms as those available to the independent counterparties and customers.

Information relating to interest income from these transactions during the year and balance outstanding at the balance sheet date is set out below:

(i) *Income for the year ended 30 June*

	The Group	
	2009 **US$'000**	2008 US$'000
Interest income	**746**	1,040

(ii) *Balance as at 30 June*

	The Group	
	2009 **US$'000**	2008 US$'000
Cash and short term funds	**37,401**	54,120

43. MATERIAL RELATED PARTY TRANSACTIONS (cont'd)

(b) Management fee

On 25 June 2008, the Company entered into a master services agreement with GOMC Limited ("GOMC") and GuoLine Group Management Co. Limited ("GGMC"), subsidiaries of HLCM, for provision by GOMC or GGMC of management services to the Company and/or its subsidiaries (excluding those subsidiaries which are from time to time incorporated, resident or having principal place of business in Malaysia (the "Malaysian Subsidiaries")), for a term of 3 years from 1 July 2008 to 30 June 2011. Total amount paid or provided for in respect of management fees to GOMC and GGMC for the year ended 30 June 2009 amounted to US$100,000 and US$4,297,000 respectively.

On 25 June 2008, the Company entered into a master services agreement with HL Management Co Sdn Bhd ("HLMC"), a subsidiary of HLCM, for the provision of management services to the Malaysian Subsidiaries of the Company for a term of 3 years from 1 July 2008 to 30 June 2011. Total amount paid or provided for in respect of management fees to HLMC for the year ended 30 June 2009 amounted to US$316,000.

The above two master services agreements replaced various management services agreements entered into between the Group and certain subsidiaries of HLCM ("HLCM Subsidiaries") which expired on 30 June 2008. Total amount paid or provided for in respect of management fees to the HLCM Subsidiaries for the year ended 30 June 2008 amounted to US$8,460,000.

(c) Key management personnel information

Remuneration for key management personnel, including amounts paid to the Company's directors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

	The Group	
	2009	2008
	US$'000	US$'000
Short-term employee benefits	**2,420**	3,791

Total remuneration is included in "staff costs" (see Note 7(b)).

44. PARENT AND ULTIMATE HOLDING COMPANY

The directors consider the parent company at 30 June 2009 to be Guoline Overseas Limited, which is incorporated in Bermuda and the ultimate holding company to be Hong Leong Company (Malaysia) Berhad, which is incorporated in Malaysia. These entities do not produce financial statements available for public use.

45. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING YEAR ENDED 30 JUNE 2009

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting year ended 30 June 2009 and which have not been adopted in these financial statements:

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position whereas the adoption of HKFRS 8, Operating Segments and HKAS 1 (Revised), Presentation of Financial Statements are expected to result in amended disclosures in the financial statements, including restatement of comparative amounts in the first period of adoption.

	Effective for accounting periods beginning on or after
HK(IFRIC) – INT 16, Hedges of a Net Investment in a Foreign Operation	1 October 2008
HKFRS 8, Operating Segments	1 January 2009
HKAS 1 (Revised), Presentation of Financial Statements	1 January 2009
HKAS 23 (Revised), Borrowing Costs	1 January 2009
Amendments to HKFRS 2, Share-based Payment – Vesting Conditions and Cancellations	1 January 2009
Amendments to HKAS 32 and HKAS 1, Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
Amendments to HKFRS 1 and HKAS 27, Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
Amendments to HKFRS 7, Improving Disclosures about Financial Instruments	1 January 2009
HK(IFRIC) – INT 15, Agreements for the Construction of Real Estate	1 January 2009
Improvements to HKFRSs 2008	1 January 2009 except for HKFRS 5 on or after 1 July 2009
Improvements to HKFRSs 2009	1 January 2009, 1 July 2009 or 1 January 2010 as appropriate
HKFRS 3 (Revised), Business Combinations	1 July 2009
HKAS 27 (Revised), Consolidated and Separate Financial Statements	1 July 2009
HK(IFRIC) – INT 17, Distributions of Non-cash Assets to Owners	1 July 2009
Amendment to HKAS 39, Eligible Hedged Items	1 July 2009
HK(IFRIC) – INT 18, Transfers of Assets from Customers	Effective for transfers of assets from customers received on or after 1 July 2009

Major Development
Properties of the Subsidiaries

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
Singapore						
Goodwood Residence situated at Bukit Timah Road	Residential	Phase 1 – Piling works completed	12/2012	24,845	39,752	65
		Phase 2 – Planning	*			
Sophia Residence situated at 32 Adis Road	Residential	Planning	*	15,435	32,413	65
Elliot At The East Coast situated at Elliot Walk	Residential	Planning	*	11,882	16,635	65
Leedon Heights situated at Leedon Heights	Residential	Planning	*	48,525	77,640	65
Toho Garden situated at Yio Chu Kang Road	Residential	Planning	*	8,072	11,300	65
Malaysia						
Site situated at Lot 322 Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	47,307	47,307	44
Emerald 1B situated at Mukim of Rawang, Districts of Gombak and Ulu Selangor, Selangor Darul Ehsan	Residential	Planning	*	189,877	101,002	44
Commerce One, Bedford Business Park situated at Old Klang Road, Mukim of Petaling Jaya, Kuala Lumpur	Residential	Construction works in progress	12/2009	4,634	38,070	44

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
Malaysia (cont'd)						
Bukit Rahman Putra situated at Mukim of Sg. Buloh, Selangor Darul Ehsan – Ph 6B, Ph 6C, Ph 6D & CL8	Residential	Main building works in progress	08/2009 to 08/2010	112,458	81,579	44
– Ph 5B, Ph 8D, CL5 & CL11	Residential	Planning	*	17,442	17,442	44
Site situated at Lot 3059, Mukim of Hulu Kelang, District of Gombak, Selangor Darul Ehsan	Residential	Planning	*	30,351	30,351	44
Damansara City situated at Damansara Town Centre, Kuala Lumpur	Commercial	Earthworks and piling works completed	*	34,438	203,332	44
Site situated at Geran No. 20438, Lot 36, Bandar Batu Ferringhi, Pulau Pinang	Residential	Planning	*	18,538	18,538	44
The Nest, situated at Seksyen 9, Tempat Sungai Kantan, Daerah Hulu Langat, Selangor Darul Ehsan	Residential	Various stages of completion	03/2010	35,369	16,274	44
The Cirrus situated within Taman Mutiara Barat, Off Jalan Cheras, Kuala Lumpur	Residential	Various stages of completion	03/2010	65,275	63,938	44
Changkat Kia Peng, situated at Lot 241 Seksyen 63, Bandar, Kuala Lumpur	Residential	Planning	*	3,030	26,142	44

Property	Intended Use	Stage of Completion	Expected Temporary Occupation Permit ("TOP") date	Site area sq.m	Gross floor area sq.m	Group's interest %
The People's Republic of China						
Hillview Regency situated in Xuanwu District, Nanjing	Residential/ Commercial	Planning	*	296,002	484,676	65
Ascot Park situated in Qixia District, Nanjing	Residential/ Commercial	Construction works in progress	12/2009 to 09/2011	89,709	240,712	62
GuoSon Centre.Changfeng situated in Putuo District, Shanghai	SOHO/ Commercial	Construction works in progress	09/2009 to 08/2011	143,845	492,412	65
Four Seasons Park situated in Nankai District, Tianjin	Residential	Planning	*	25,866	209,616	65
GuoSon Centre.Dongzhimen situated in Dong Cheng District, Beijing	Residential/ Commercial	Construction works in progress	10/2009 to 03/2011	106,000	590,800	58
Vietnam						
The Canary situated in Thuan An District, Binh Duong Province	Residential/ Commercial	Phase 1 – Construction works in progress	12/2009	175,553	285,000	65
		Phases 2 to 4 – Planning	*			

* Not applicable as construction for these developments have not commenced.

Major Properties
of the Subsidiaries Held for Sale

Property	Intended Use	Site area sq.m	Gross floor area sq.m	Group's interest %
Singapore				
Le Crescendo situated at Paya Lebar Road	Residential	12,323	26,182	65
Paterson Residence situated at Paterson Road	Residential	7,774	16,327	65
The View @ Meyer situated at Meyer Road	Residential	3,352	7,039	65
The Stellar situated at West Coast Road	Residential	13,245	18,543	65
The Quartz situated at Sengkang Central	Residential	21,985	65,956	65
Malaysia				
OVAL Kuala Lumpur situated at Jalan Binjai, Kuala Lumpur	Residential	N/A	54,474	44
The People's Republic of China				
West End Point situated in Xuanwu District, Beijing	Residential/ Commercial	36,501	140,759	65

N/A – not applicable

Major Properties
of the Subsidiaries Held for Investment

Location	Existing Use	Tenure of Land
Singapore		
Tung Centre 20 Collyer Quay Singapore 049319	Office building	999 years lease with effect from 5 November 1862
Lots 99951A, 99952K and 99953N Part of 61 Robinson Road Singapore 068893	Reversionary interests in freehold land	(Note)

Note: The Group disposed its interests in a 98-year lease (with effect from 19 March 1998) in the freehold land in July 2006 to a third party. Accordingly, the Group recognised its reversionary interests in the freehold land.

Location	Existing Use	Tenure of Land
Malaysia		
Bangunan Hong Leong No. 117 Jalan Tun H.S. Lee 50000 Kuala Lumpur	Office building	Freehold
Menara Pandan Persiaran MPAJ Jalan Pandan Utama Pandan Indah 55100 Kuala Lumpur	Office building	99 years lease with effect from 25 March 2002
Hong Kong		
The Center 15th Floor 99 Queen's Road Central Hong Kong	Office building	From 24 November 1995 to 30 June 2047